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MINUTES OF A CONTINUED SPECIAL MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JANUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a continued special meeting held at 939 Ellis Street, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of January, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Nicole Bryant, CYGNA; Jessie Abrams and Hiram Smith, Blue Bird Associates; Kay Godwin, Dames & Moore; Mary Rogers, Western Addition Project Area Committee (WAPAC); Sue Bierman, Jerome Klein, Norman Karasick and Eugene Kelleher, City Planning Commission; Lee Woods and Barbara Sahm, City Planning Department; Steve Smith, Ed de la Cruz and John Bardis, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

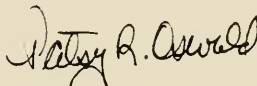
At this time it was agreed by both staffs and Commissioners that this meeting regarding the Second Supplement to the Yerba Buena Center Environmental Impact Report would be further continued to January 4, 1983 at 5:30 p.m.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED TO FURTHER CONTINUE THE SPECIAL MEETING OF THE REDEVELOPMENT AGENCY AND THE JOINT CERTIFICATION MEETING UNTIL JANUARY 4, 1983, at 5:30 P.M.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Newman and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:18 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

February 15, 1983

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MINUTES OF A CONTINUED SPECIAL MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JANUARY 1983

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The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Hoshio Nakashima, Sue Bierman, Jerome Klein, Norman Karosick and Eugene Kelleher, City Planning Commission; Lee Woods and Barbara Sahm, City Planning Department, Joan Bardis, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

President Berk indicated that the purpose of this joint certification meeting of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission is to continue the consideration and evaluation of the Second Supplement to the Yerba Buena Center Final Environmental Impact Report (YBC FEIR). This document was prepared for review by the respective staffs of the Agency and the City's Office of Environmental Review in coordination with their consultants, Environmental Science Associates, Inc.

Both Commissions met jointly on December 2, 1982 to consider the certification of the Second Supplement to the Yerba Buena Center FEIR. During that joint meeting, several Commissioners requested clarification of certain responses to comments received on the Draft EIR. Staff has clarified those responses which were questioned by the Commissioners and have incorporated those clarifications into an Addendum to the Summary of Comments and Responses.

Minutes of a Special Meeting, January 4, 1983

The Commissioners of both bodies have received for their review and consideration the Addendum to the Summary of Comments and Responses. The Redevelopment Agency Commissioners have also received a staff-prepared draft resolution covering the findings required under applicable laws and ordinances in order to certify the completion and adequacy of the Final Second Supplement.

It should be reemphasized that the purpose of this certification meeting is to ascertain whether the Second Supplement to the Final Environmental Impact Report is an adequate document as required by applicable laws and ordinances; it is not the purpose of this meeting to examine the merits of the entire proposed Yerba Buena Center Project unrelated to environmental considerations.

Mr. Thomas Conrad, Chief of Planning for the Redevelopment Agency, introduced the document, described the procedures for its preparation and gave a brief overview of the Final Second Supplement. Mr. Thomas Conrad also described the import of the draft resolution and introduced it into the record and then reviewed the EIR Second Supplement procedural findings and made a joint staff recommendation.

Barbara Sahm, City Planning Department, introduced their resolution and made minor corrections to the Addendum. Ms. Susan Bierman, City Planning Commissioner, noted her concerns.

President Berk indicated that the Commissioners of the Redevelopment Agency of the City and County of San Francisco have received and reviewed the proposed Final Second Supplement to the Yerba Buena Center Final Environmental Impact Report and the proposed Agency Resolution No. 2-83. In addition the Commissioners have had the opportunity at the public meetings to question and discuss the contents of the Supplement and Resolution with the staff, the consultants and members of the general public, so as to assist in deliberation on this matter. By adopting Resolution No. 2-83, the Commissioners will certify that they have reviewed and evaluated the Final Supplement and Agency Resolution No. 2-83, and fully understand the contents and significance of the two documents, and are satisfied that there is substantial evidence to support all of the statements made in Agency Resolution No. 2-83, and, in particular each of the findings set forth in that Resolution.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. KING, THAT RESOLUTION NO. 2-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

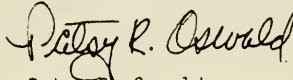
Minutes of a Special Meeting, January 4, 1983

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:15 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Secretary

APPROVED

February 15, 1983

(Note: A full and complete transcript of this meeting is on file at the office of the Agency Secretary).

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JANUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:20 o'clock p.m. on the 4th day of January, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Nicole Bryant, Cygna; Jessie Abrams and Hiram Smith, Blue Bird Associates; Kay Godwin, Dames & Moore; Mary Rogers, Western Addition Project Area Committee (WAPAC), and Steve Smith, Ed de la Cruz, and John Bardis, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Arnette, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of December 14, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported on the following matters:

- (a) The Joint Powers Authority which is an entity created to construct the State Office Building at Van Ness, McAllister, Franklin and Golden Gate in the Western Addition A-2, held its first meeting last Friday; Mr. Hamilton was elected President, James Bronkema of the Embarcadero Center was elected Vice President, and Patsy Oswald was elected Secretary. The Authority also approved contracts with two consulting firms: Jones, Hall, Hill & White as Bond Counsel and Rothschild, Unterberg and Towbin and Imperial Bank as Financial Advisor/Underwriter.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) By a letter to Congress, Mr. Gerald Carmen, Administrator of the General Services Administration, has raised the question of the possible threat of selling 49 Fourth Street to the highest bidder rather than outright to the City of San Francisco or to the Agency on a negotiated basis as a key part of the Central Blocks Program. This has the potential for doing great damage, if not killing the YBC Program, as it is now known. This is particularly distressing in light of the fact that the Agency is just on the verge of closing on the business terms for what is really a billion dollar program and one of the most significant in this City's history. Mr. Carmen in his letter states his reasons for having taken this position and points out that some Congressmen and committees before whom he has appeared recently, have either by insinuation or accusation accused him of impropriety and even inferred that he has acted in an illegal way. He takes the position that until that insinuation is corrected, he is not prepared to go forward with the sale and would then offer the site for public sale which would put the Agency in a competitive situation and could be terribly serious to the ultimate success of the YBC program. The Mayor has been in contact with Washington, as has the Agency. She is deeply concerned and distressed by this; has communicated by letter to Mr. Carmen and has shared with the media that she does not believe that Mr. Carmen has been guilty of any impropriety, but rather he has acted in the public interest, both of the Federal government and of the City and County of San Francisco. Staff will continue to pursue this matter, and will be in touch with Congressman Phil Burton, and other influential members of Congress, because it is believed that the key to resolving it lies with them.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the execution of the new Agreement for Disposition of Land, Parcel 749-A; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 377-82, was continued from the meeting of December 21, 1982 at the request of this Commission. Authorization is requested of an LDA with Bluebird Associates for the parcel located on the southwest corner of Eddy and Webster Streets in the Western Addition A-2.

Mr. Hamilton reported on item 8(a) as follows. In April, 1980 an LDA was authorized with Jesse Abrams for construction of eight market-rate rental apartments. However, the developer was unable to proceed and requested an assignment to Bluebird Associates, which was approved in September 1981 and the market rate rental apartments were changed to condominiums. The site was conveyed in October 1981 and construction was to begin 30 days later, but Bluebird did not start in keeping with the LDA. A Notice of Default was issued but

UNFINISHED BUSINESS (continued)

not cured and the LDA terminated. Agency Legal staff revested title to the parcel and commenced a Quiet Title action. However, after initiation of this action, the Developer and staff agreed to negotiate a new LDA based on an updated appraisal land price which is \$23,750. Bluebird has paid \$9,200 and will pay the \$14,550 balance out of the proceeds from the sale of the units as they are sold. The Agency will have a Second Deed Trust to secure the developer's obligations. The City will provide permanent financing through its \$60,000,000 bond issue. The Schedule of Performance is: Submission of Evidence of Financing, February 16, 1983; Conveyance of the Site, March 2, 1983; and Commencement of Construction, April 2, 1983.

There being no persons wishing to appear regarding this matter, the President declared the public hearing closed.

Ms. Blomquist inquired why the Agency was letting Bluebird pay the \$14,550 after the sale of the units instead of at the time of acquiring the property and indicated she opposed this method. Mr. Leo Borregard, Agency General Counsel, explained that this had been an on-going dispute between the developer and the Agency. The Agency had deeded the property to Bluebird and when they did not begin construction according to the LDA schedule, the LDA was terminated and the Agency filed a Quiet Title suit to revest title of the property to the Agency. Then negotiations began between the Agency and Bluebird, and Bluebird agreed to pay the reappraisal price of the property by this deferred method, secured by a second deed of trust. This is an unusual method for the Agency to use, but one which staff believes is in the best interest of the Agency in order to keep the property out of litigation, which could prevent the property being developed for several years.

Mr. Hamilton noted that this is a policy matter and the deferred method of payment was at the discretion of the Commissioners, but he believed it in the best interest of the Agency than to let this go to litigation.

Mr. Hamilton inquired how long the property could be expected to be under litigation on this particular issue if that occurred, and Mr. Borregard indicated approximately two to three years.

Ms. Blomquist indicated she was sorry HUD was not involved as their regulation seems in this instance better than the Agency's and it is a bad precedent to give land to settle a lawsuit and let them pay for it when they sell the units and she was opposed to it.

Mr. Hamilton indicated the Agency is not giving land to the developer. The total price of \$23,550 will be paid out of monies that would have been kept as profit to the developer and will now be paid to the Agency.

Mr. Lee inquired what the timetables are to paying off the \$14,550.

UNFINISHED BUSINESS (continued)

Mr. Borregard responded that would be paid as each unit is sold. Mr. Lee indicated he wanted to be sure the Agency was not setting a bad precedent and Mr. Borregard indicated that staff believed this arrangement was secured with a second deed of trust and though it is an unusual situation, it will get the property developed, and believed it did not set a precedent.

Mr. Arnelle inquired, other than the developer not proceeding timely, would Bluebird be acceptable to the Agency, and Mr. Hamilton responded affirmatively.

Mr. Arnelle indicated then that the Agency is sparing the time and cost in present and future litigation not to tie up the property and is allowing Bluebird to develop the property and defer the increased land cost until the time the units are sold, so the Agency is not losing anything. Mr. Borregard indicated that is correct. In fact, the Agency is gaining and the property is being released for development.

Mr. Newman inquired if there were any provisions for the developer to pay interest on the \$14,550 and Mr. Hamilton responded no.

Mr. Lee inquired if Mr. Newman would feel more comfortable if there was an interest bearing note on the \$14,550, and Mr. Newman responded affirmatively, because if the Agency does not secure some interest then the Agency is giving Bluebird an additional loan, which he believed not proper. Mr. Newman indicated he would vote for the recommendation if a satisfactory interest rate is charged.

Mr. Hiram Smith, Bluebird Associates, indicated the price of the property was increased after it was conveyed and Bluebird has agreed to compromise. It is not a loan, but a negotiated settlement. Mr. Smith indicated the bargain struck by staff was a fair one and he would not be happy to pay interest on top of this compromise. Mr. Hamilton inquired if Mr. Smith wished this item be held over to give him time to consider the interest issue and Mr. Smith indicated no, he was prepared to deal with what the Agency decides at this time as he would like to proceed with this development.

Mr. Mardikian inquired what the time schedule is, and Mr. Smith responded Evidence of Financing was due February 16, Conveyance, March 2; Commencement of Construction, April 2; and Completion of Construction 12 months after conveyance. Mr. Mardikian indicated he felt on the strength of counsel's recommendation and because the interest rate talked about is small he was prepared to move the motion before the Commission without consideration of interest, and Mr. King indicated he would second that motion.

Mr. Newman indicated he felt, since the developer was in default and the Agency is reconstituting this project, that the public is entitled to receive interest on the property of at least 10%, and proposed an amendment to that effect and balance of resolution to stand and Mr. Mardikian agreed to this amendment and Mr. Arnelle indicated he would second the motion.

UNFINISHED BUSINESS (continued)

Ms. Mary Rogers, WAPAC, indicated her opposition to charging the developer interest. Ms. Blomquist indicated she supported the amendment, as charging interest is the least the Agency could do, but could not support the deferred payment.

MOTION: IT WAS MOVED BY MR. NEWMAN, AND SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 377-82 BE AMENDED TO INCLUDE A 10% INTEREST ON THE BALANCE DUE THE AGENCY OF \$14,550 WITH INTEREST TO BEGIN ON DATE OF CONVEYANCE OF THE PROPERTY, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist
Ms. Berk

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, THAT RESOLUTION NO. 377-82 BE ADOPTED AS AMENDED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

Mr. Borregard indicated if acceptable to the Commission and developer a reply regarding acceptance of the 10% interest would be expected by Wednesday, January 19, 1983.

NEW BUSINESS

- (a) Resolution No. 1-83, requests authorization of a public review process for the Yerba Buena Center Central Blocks development.

Mr. Hamilton reported on item 9(a) as follows. The Agency has consistently followed a publicly open process for the development of YBC since it was charged with the responsibility of carrying out the Mayor's Select Committee recommendations. This process has included opportunities for public comment on the contracts for the replanning studies of YBC and the resulting reports. On the Request for Qualifications, the selection of a development team and the designation of a preferred design concept, these significant actions underwent extensive public review and discussion. Since designation of the design concept, the Agency and Olympia and York have carried out intense confidential negotiations on the business terms of the development. Now staff is at a point where it believes agreement on the business terms with Olympia and York is achievable. Therefore, it is appropriate to recommend that the Commission endorse the process which staff believes is necessary to insure public awareness and involvement as the project proceeds. The recommended process would provide that the Commission formally take public comment at various points in the process. This will provide an on-going opportunity for the Commissioners to hear the public's views before making any final decisions. Also recommended is a review process to be implemented at staff level with the Planning Department, one that was used regarding the GSA property at 49 4th Street, which is a letter of agreement with the Planning Director to review design of the development of the Central Blocks. This will formalize the consultation process currently underway with the City Planning Director and his design staff.

Ms. Blomquist inquired if there is a way to put time parameters on the various stages and Mr. Hamilton responded that they will be defined in the Disposition and Development Documents (DDA).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND WAS UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-83 BE ADOPTED.

- (b) Election of Officers

President Berk noted that the Agency's Bylaws required that an annual election of officers be held at the last regular meeting of the year or the first meeting of a new year. The positions to be filled are President, Vice President, Secretary, Treasurer, Executive Director and Deputy Executive Director. The President then opened the meeting for nominations to be effective January 5, 1983 to December 31, 1983.

Mr. King nominated Mr. Lee for the office of President and Ms. Blomquist seconded the motion. President Berk inquired if there were any further nominations. There were none.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT THE NOMINATIONS FOR PRESIDENT BE CLOSED, AND THAT MR. LEE BE ELECTED PRESIDENT.

Ms. Blomquist nominated Mr. King for the office of Vice President and Mr. Arnelle seconded the motion. President Berk inquired if there were any other nominations. There were none.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT NOMINATIONS FOR VICE PRESIDENT BE CLOSED, AND THAT MR. KING BE ELECTED VICE PRESIDENT.

Ms. Blomquist nominated Ms. Oswald for the office of Secretary, and Mr. Arnelle seconded the motion. President Berk inquired if there were any further nominations. There were none.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT THE NOMINATIONS FOR THE OFFICE OF SECRETARY BE CLOSED, AND THAT MS. OSWALD BE ELECTED SECRETARY.

Mr. Arnelle nominated Mr. Bell for the office of Treasurer, and Mr. King seconded the motion. President Berk inquired if there were any other nominations. There were none.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT NOMINATIONS FOR THE OFFICE OF TREASURER BE CLOSED, AND THAT MR. BELL BE ELECTED TREASURER.

Mr. Newman nominated Mr. Hamilton for the office of Executive Director and Mr. King seconded the motion. President Berk inquired if there were any other nominations. There were none.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE NOMINATIONS FOR EXECUTIVE DIRECTOR BE CLOSED, AND THAT MR. HAMILTON BE ELECTED EXECUTIVE DIRECTOR.

Mr. King nominated Mr. Kernan for the office of Deputy Executive Director and Mr. Arnelle seconded the motion. President Berk inquired if there were any other nominations. There were none.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT THE NOMINATIONS FOR DEPUTY EXECUTIVE DIRECTOR BE CLOSED, AND THAT MR. KERNAN BE ELECTED DEPUTY EXECUTIVE DIRECTOR.

Mr. King commended President Berk for a wonderful job she had done as President of the Commission.

Mr. Hamilton, speaking on behalf of staff and himself, concurred with Commissioner King and expressed great appreciation for a job well done, the many hours she had spent, and all the support she had given. Mr. Hamilton indicated he was certain that President Berk's fellow Commissioners appreciated the endless hours she had devoted to the Agency.

NEW BUSINESS (continued)

President Berk expressed gratitude for the privilege of serving as President for the past two years and noted that part of the enjoyment was knowing that no woman had served as President of the Agency before, just as Commissioner Blomquist knew that she was the first woman to serve on the Commission. She expressed hope that she and Ms. Blomquist had improved the Commission. She indicated that she enjoyed her Presidency and learned a great deal in the process. President Berk, speaking retrospectively of the past year, noted that there were some goals she thought would never be achieved. Therefore, she was pleased that Safeway was actually building in the Fillmore Center and the A-2 Affordable Condominium Program, which she thought was only a gleam in someone's eye, was in progress. She recounted the marvelous privilege of attending a Hunters Point groundbreaking with Congressional candidate Barbara Boxer, before the Primary, and after the election, observing Congressperson Boxer select the names of the people who were to live in the Hunters Point housing. She noted that this particular accomplishment contradicted many people's view of a slow bureaucracy, because All Hallows, the Agency, and the City did an expedient and excellent job. In regard to the Stockton/Sacramento project, she noted that no one was certain from moment to moment what would occur, thus; she was extremely gratified when she went to the project on a Saturday and saw people already moved in. President Berk noted that it was an honor to work with a talented staff and a Commission who was committed and devoted to serving the public and the City of San Francisco. She expressed delight that she would serve on the Commission until 1985 and that she would be very proud to serve with the newly elected officers and staff leaders.

Commissioner Newman noted the high respect, regard, and admiration President Berk's fellow Commissioners had for her for having done an absolutely superb job of handling a very difficult position with promptness and dispatch.

Commissioner Melvin D. Lee indicated that President Berk exemplified what a Commission Chairperson should be and noted the many hours she unselfishly devoted to the Agency. He indicated that the most critical project, aside from Hunters Point, Western Addition A-2, and other areas, was Yerba Buena Center (YBC) and that President Berk had spent many hours on YBC. Mr. Lee cited a few examples of a dedicated President Berk calling him and other Commissioners on Saturday or Sunday mornings to discuss critical points regarding the YBC negotiations.

Mr. Lee expressed sorrow that President Berk was leaving the office of President, but was thankful that she would remain on the Commission.

Minutes of a Regular Meeting, January 4, 1983

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

Patsy R. Oswald
Secretary

APPROVED

February 8, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JANUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 11th day of January, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Melvin D. Lee, President
- Charlotte Berk
- H. Jesse Arnelle
- Dian Blomquist
- Haig Mardikian
- Walter S. Newman

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and the following was absent:

Leroy King, Vice President (arrived at 4:40 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Rogers, Joint Housing Committee; James E. Stratten and Rhody A. McCoy, R. & J. Futuristic, Inc.; Joseph Madona, O & Y Equity Corp.; Greer Smith and Joseph Rudolph, KP00 Radio; Robert Becker, Becker and Associates.

Representing the press was Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Commissioners Arnelle and King will be sworn in by the Mayor on Friday, January 14, 1983 at 11 a.m. in Room 200 City Hall.

NEW BUSINESS

- (a) and (b) Resolution No. 3-83 and 4-83, request an extension of Exclusive Negotiations until April 13, 1983 with O & Y Equity Corp./Marriott Corp./Beverly Willis. Item (a) for the Central Blocks and item (b) for the parcels located on the east side of Third Street between Mission and Howard Streets known as East Block 2 in the Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) and (b) as follows. In October 1982 the Commission granted O & Y an extension of three months until January 12, 1983 for the Exclusive Negotiating Rights of both the Central Blocks and EB-2. The Environmental Impact Report (EIR) Supplement No. 2 is now completed and certified. Completion of the EIR Supplement was necessary to provide the environmental information before taking action on a Development and Disposition Agreement (DDA). Following that agreement there will be time required for the completion of drafting the DDA documents and to carry out the public process, including appropriate public review of the draft DDA. Additional time may be needed for this process but staff recommends a three month extension to permit evaluation of the process at that point.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-83 BE ADOPTED.

- (c) Resolution No. 5-83, requests authorization of a Fifth Amendatory Agreement which will extend the date for submission of evidence of mortgage financing until February 8, 1983, to the LDA with KP00 and Associates for the property located at 1325-29 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. The LDA was approved in August 1981 with KP00 and Associates which is a joint venture composed of Robert H. Becker and Poor Peoples Radio for rehabilitation of this four-story woodframed building containing 16 studio apartments with ground floor commercial space, which is proposed as a permanent facility for KP00 Radio, a public service non-profit educational station. All requirements of the LDA have been completed with the exception of private financing which originally intended the rehabilitation of the building as 16 residential rental units. The last extension was granted on September 28, 1982 for submission of evidence of financing. The Commission was advised at the meeting of September 23, 1982 that the feasibility of producing rental units in the subject building was in question and that staff was reviewing and evaluating the possibility of converting the units to condominiums.* Mr. Hamilton noted that both principals were in attendance and that since a dispute had arisen between them, he suggested that the Commission hear from them with respect to that dispute and then consider the matter for a recommendation on how to proceed.

Mr. Robert Becker, a principle of KP00 & Associates, indicated that there was no communication between the principals and rather than prolong the matter, he was making a public offer to withdraw with the condition his architect be compensated for the plans.

*This was for the purpose of achieving the original objective of housing KP00, the public service radio station, and to add to the housing inventory in the Western Addition A-2.

NEW BUSINESS (continued)

Ms. Greer Smith, Member of KP00 Board of Directors, indicated opposition to compensating Mr. Becker as he had not lived up to his part of the agreement.

Mr. Joe Rudolph, Manager of KP00, indicated KP00's acceptance of Mr. Becker's public withdrawal and noted that he would contact Mr. Becker's architect to work something out.

Mr. Hamilton indicated that having listened to the presentations of both principals and having read a letter from the new proposed joint venture partners, Roger Superko and Carnelian Group Real Estate and Consultants, staff will now need time to meet with them to discuss the new joint venture, plus matters regarding reappraisal of the property. Mr. Hamilton requested Mr. Hunter Johnson, Chief of Rehabilitation, explain about the land price and timing and Mr. Johnson responded that if no action is taken tonight to extend the LDA it will expire and the Agency can then enter into a new LDA with a new joint venture. A reappraisal will be required if the use is changed from rentals to condominiums though the price may or may not change.

Mr. Hamilton inquired if Mr. Johnson was indicating that, notwithstanding the dispute, in any case a reappraisal would be necessary if changed from rentals to condominiums and Mr. Johnson responded affirmatively. Mr. Hamilton inquired if Mr. Richard Kono, Acting Director of Development, concurred, and Mr. Kono responded affirmatively.

President Lee inquired if the property would be reappraised, and Mr. Johnson responded affirmatively indicating that the absolute conveyance date is February 25 and that it is unlikely that the new partners could take title to the property as a condominium project in the next six weeks. Also, the change in use will require both a public hearing and a reappraisal of the property.

Mr. Newman inquired if the financing commitment which had been obtained could be carried forward to the new joint venture and Mr. Johnson indicated that since the proposal by the new joint venture is essentially the same as the old one he believed they could get the same commitment.

Mr. Hamilton indicated that since a new appraisal would be necessary in any event he suggested that staff be given time to meet with the new principals and come forward with a recommendation for restructuring the new joint venture.

RESOLUTION NO. 5-83 DIED FOR LACK OF A MOTION.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT STAFF RETURN TO THE COMMISSION WITH A RECOMMENDATION FOR A RESTRUCTURED JOINT VENTURE.

NEW BUSINESS (continued)

- (d) Resolution No. 6-83, requests approval of reinstating the LDA with El Bethel Terrace, Inc. for the parcel located on the southwest corner of Fillmore Street and Golden Gate Avenue in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In June, 1981 an LDA was authorized for development of 101 one-bedroom elderly rental housing units and related retail commercial space financed through the Section 202 Direct Loan Financing Program with Section 8 rental assistance which HUD has committed. Because staff believed site conveyance was eminent, they did not request a revision of the performance schedule; and the LDA terminated on December 24, 1982. Also, the land price for the commercial portion will expire on January 14, 1983; however, staff found after reappraisal no change in value and recommends the price remain \$55,750 because current federal government commitments for Section 202 and Section 8 financing are predicated on the existing land price and most particularly because this development will provide some of the last subsidized rental elderly housing. Though staff anticipates conveyance to occur before the end of this month in an abundance of caution, the revised performance schedule is: Submission of Evidence of Financing from November 9, 1982 to February 9, 1983; and Conveyance of the Site from December 9, 1982 to March 9, 1983. Also, the old language in the LDA which permitted automatic termination has been deleted and new language requiring specific action before the LDA is terminated has been substituted to conform to the new standard form of LDA.

Ms. Blomquist inquired about the new LDA termination language, and Mr. Borregard, Agency General Counsel, indicated that the former Commission preferred to have LDA's terminate automatically unless they were preserved by the Commission during the 14-day termination period. He indicated that when there was a question as to whether a cure had been accomplished, there was an interim modification to indicate that the Agency would have to give notice. Staff now recommends that the Commission take affirmative action to terminate an LDA rather than to let it expire of its own terms because although there is a cure period, something might slip causing an LDA to expire. Staff believes it is better for the Commission to affirmatively make that determination or at least allow staff to make that determination with notice to the Commission.

Ms. Blomquist inquired if this would occur on the day of termination or 14 days after, and Mr. Borregard responded that the developer will at least get notice of the Agency's intention, then he has 21 days to act. If the developer fails to act, the LDA will expire.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-83 BE ADOPTED.

Mr. King arrived at this time, 4:40 p.m.

NEW BUSINESS (continued)

- (e) Resolution No. 7-83, requests authorization to execute a Third Amendatory Agreement to the LDA with R & J Futuristic, Inc. for Parcels S-1 and S-2 in the Phase III area of Hunters Point.

Mr. Hamilton reported on item (e) as follows. In December, 1981, the Agency entered into an LDA with R & J Futuristic for the purpose of developing 67 single-family homes in three phases. The two previous amendments as well as today's, revises the performance schedule to recognize the developer's inability to secure construction and takeout financing at least at a feasible rate and to provide new dates when it is anticipated that money will be available. R & J Futuristic entered into a Loan Agreement for funds with Newmarket Land, Inc. to assist in acquisition and development and upon Newmarket's recommendation, the developer hired a construction manager. The disposition price will expire on June 15, 1983 and the developer has been advised that should conveyance of all phases not occur by June 15, the property will be reappraised. The development will use SB-99 tax-exempt mortgage bonds for permanent financing. The development was "grandfathered" in under the old SB-99 rules, and since the interest rate has dropped, the bond underwriter has secured a commitment of 100% mortgage insurance for long term financing and is now assisting in securing a construction loan. The changes in the performance schedule for Phase I will be as follows: Submission of Evidence of Financing from January 1, 1983 to July 13, 1983; Conveyance of site from February 14, 1983 to August 17, 1983; and Completion of construction from October 14, 1983 to April 18, 1984; for Phase II: Submission of Evidence of Financing from May 9, 1983 to November 9, 1983; Conveyance of the site from June 8, 1983 to December 7, 1983; and Completion of construction from February 10, 1984 to August 8, 1984; and for Phase III: Submission of Evidence of Financing September 9, 1983 to March 14, 1984; Conveyance of site from October 10, 1983 to April 11, 1984; and Completion of construction from June 9, 1984 to December 12, 1984. The lack of reasonable financing for a residential development has forced the delay of several projects in and out of the redevelopment areas and this particular development is especially affected because it is in Hunters Point where there has been no significant history of market rate single family development to attract lenders. The developers have cash expenditures of approximately \$200,000 invested in the project and have approved plans, permits, and a construction contractor. While more time than expected has been expended in securing financing and is not yet certain, the developer's performance within his control have been prompt and diligent, and in staff's opinion this extension will most certainly and promptly provide relatively affordable housing on this site.

Ms. Blomquist inquired if the developers reimburse the Agency for establishing the Homeowners' Association, and Mr. Earl Mills, Deputy Executive Director, Community Services, responded no and indicated that there will be a multiplicity of developers around the hill who will participate in this one Association and the Agency considers this part of the cost of subdividing the land for the developers.

Minutes of a Regular Meeting, January 11, 1983

NEW BUSINESS (continued)

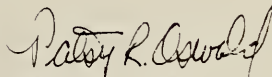
Mr. Lee asked if the CC&R's were prepared by Agency staff, and Mr. Mills responded that they were prepared by outside attorneys.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

January 25, 1983

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4
8-83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JANUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of January, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Haig Mardikian
Walter S. Newman

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and the following were absent:

H. Jesse Arnette (arrived at 4:13 p.m.)
Charlotte Berk (arrived at 4:17 p.m.)
Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Pleasant Carson, Jr. and Mary Rogers, Western Addition Project Area Committee (WAPAC); and Louis Levin, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of December 21, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Yesterday, the Board of Supervisors unanimously approved a \$125,000 study that could lead to construction of more meeting room space at the Moscone Convention Center in Yerba Buena Center.

Ms. Mary Rogers, WAPAC, indicated her concern about the affirmative action program for the construction of the additional meeting space, and inquired as to the kind of agreement the City has concerning this issue. Mr. Hamilton responded that it was built into the conveyance instruments and requested that if Ms. Rogers has

REPORT OF THE EXECUTIVE DIRECTOR (continued)

specifics, she should talk to Mr. Earl Mills, Deputy Executive Director, Community Services, and if there is something the Agency should address the Chief Administration Officer on, staff will do that. Ms. Rogers indicated she had sent a letter to the Chief Administrative Officer, but had received no reply and Mr. Hamilton requested she provide staff with a copy of that letter.

Mr. Arnelle arrived at this time, 4:13 p.m.

NEW BUSINESS

- (a) Resolution No. 8-83, requests authorization to enter into an Owner Participation Agreement with Irma Grabhorn for the property located at 1335 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In 1982, Mrs. Grabhorn entered into an agreement with the Executive Health Spa Clubs to rehabilitate and occupy the building for a health club, with a condition that the club meet all City codes and that the existing exterior character of the 1908 neo-classic greek facade be preserved. When completed this facility will be open to the public. The work will be executed by the General Contractor, 20th Century Homes, Co., who is also a partner in the Executive Health Spa Club.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-83 BE ADOPTED.

Ms. Berk arrived at this time, 4:17 p.m.

- (b) Resolution No. 9-83, requests authorization to enter into an Owner Participation Agreement with I. Louis Levin for the property located at 1528 Fillmore Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. The Levin property is a 1920 two-story commercial concrete and wood framed structure with a granite and stucco facade and will be rehabilitated to accommodate offices for Mr. Levin's tourist magazine publishing company. Mr. Levin has applied for a loan to assist in financing the rehabilitation of the facade with the Industrial Development Authority (IDA) of the City of San Francisco. In support of carrying out the City's commitment of the Fillmore UDAG, the IDA can lend money from the Small Business Loan Fund for facade rehabilitation in the Fillmore-Geary area where Mr. Levin's property is located.

Ms. Mary Rogers indicated her concern about the affirmative action hiring policy, and inquired if the rehabilitation of the building will require the use of public money. Mr. Gene Suttle, Area Director, Western Addition A-2, responded that this is private rehabilitation and private money is being used, not public money, and there are no affirmative action requirements for private rehabilitation.

NEW BUSINESS (continued)

President Lee inquired as to the maximum amount that can be borrowed from the Industrial Development Authority (IDA) and the interest rates, and Mr. Louis Preston, Housing Management, responded that the maximum amount that can be borrowed is \$9,000 and the interest rate is 10 percent.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-83 BE ADOPTED.

- (c) Resolution No. 10-83, requests authorization of an expenditure not to exceed \$2,500 for the further marketing of Affordable Condominium units in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. Initial marketing efforts have not resulted in a sufficient number of potential buyers. Earnest money was due on December 15, 1982 for the first group scheduled for processing, which resulted in six deposits received for the seven 1 bedroom units; eleven deposits for the six 2 bedroom units and 13 deposits for the eighteen 3 bedroom units. Three deposits for the 3 bedroom units were subsequently withdrawn. Staff feels that on the 1 bedroom units, so many participated in the lottery, it is likely all units will be sold. On the 2 bedroom units more than enough deposits were received and all units are expected to be sold. Staff's initial step in extending the marketing effort for the 3 bedroom units has been to contact the 20 applicants who were successful in the lottery but did not submit deposits. A response was due from the applicants last Friday, and only one response was received. Staff will now have to undertake a re-marketing campaign with the general public and sell the units strictly on a first come, first serve basis. In all fairness, certificate holders must now be treated the same as other applicants. However, it is our intention that they retain the special Agency assistance, which includes down payment assistance, payment of closing costs and flexible first mortgage payment obligations. All provisions of the program, which includes income limitations, down payment amounts, minimum occupancy standards, etc., will remain unchanged.

Mr. Pleasant Carson, Acting Director of WAPAC, indicated he was opposed to this approach and inquired what avenues the Agency used to contact certificate holders. Mr. Gene Suttle, Area Director A-2, explained in detail the process staff had gone through to advertise and inform certificate holders.

Mr. Carson requested that Agency staff send out flyers in simple language to certificate holders and others in the neighborhood. Mr. Hamilton indicated the extent this program had been advertised and the priority certificate holders has been given. Mr. Hamilton noted that certificate holders, should they respond, will still get assistance from the Agency even though the units will be sold on a first come, first serve basis. Mr. Earl Mills, Deputy Executive Director, Community Services, stated that he would be happy to work

NEW BUSINESS (continued)

with WAPAC on a flyer for certificate holders, but believed staff had done a very thorough job of informing certificate holders of the condominium program.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-83 BE ADOPTED.

- (d) Resolution No. 11-83, requests authorization to pay the unamortized balance of \$2,263.88 on a leased 1980 Chevrolet.

Mr. Hamilton reported on item (d) as follows. The Agency has three alternatives in providing an automobile at this point: 1) lease a similar new vehicle at a cost of about \$300 a month for a total 36 month cost of \$10,800; 2) extend the current lease on the 1980 vehicle. The monthly cost could be reduced to about \$200 a month for an 18 month period at a total additional cost of \$3,600; or 3) pay off the unamortized balance on the lease, and as noted above, the cost under this option would be \$2,263.88. Since the car is in good condition, staff feels the third option to be more economical than to continue the lease or to lease a new vehicle.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-83 BE ADOPTED.

- (e) Resolution No. 13-83, requests authorization for Helen Sause, Project Director, Yerba Buena Center and Mr. Wilbur Hamilton to travel to Washington, D.C. to attend the NAHRO Board of Governor's meeting and Legislative Conference, and to meet with the General Services Administration and Congressional staff, February 3-8, 1983. Costs to the Agency will not exceed \$2,200.00.

The participation of Mrs. Sause and Mr. Hamilton in their respective capacities on the National CR&D Committee and the Board of Governors will provide opportunities to meet with Congressional representatives. The Legislative Conference provides an opportunity to evaluate legislative proposals and the Administration CDBG program and appropriation proposals which will have a critical affect on the Agency's ability to carry out its activities. The Agency's participation in NAHRO is essential because it is the most effective conduit the City has to influence the Administration and legislators. The Agency also has a number of issues to be discussed with appropriate officials including the potential UDAG for YBC and meetings on the transfer of the 49 Fourth Street property.

Mr. Hamilton alerted the Commissioners that Mayor Feinstein had advised him that there may be a need prior to February 3 for him to accompany her to Washington to meet with Congressman Levitas and Congressman Burton on the 49 Fourth Street matter.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-83 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 12-83 commencing and expressing appreciation to Robert L. Reece for his devoted services and outstanding achievements upon the occasion of his retirement from the San Francisco Redevelopment Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 14-83, expressing regrets on the passing of Mr. Louis Goldblatt of the International Longshoremen's and Warehousemen's Union (ILWU).

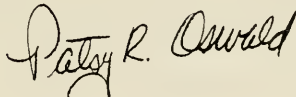
ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-83 BE ADOPTED.

- (b) Ms. Mary Rogers, WAPAC, expressed her concern about water standing under the building at Divisadero and Eddy (Divisadero Heights) and Mr. Gene Suttle indicated the developer was working to correct that problem. Ms. Rogers also indicated there are problems with the rehabilitated building at 1600 Eddy. President Lee indicated normally there is a one year warranty and Mr. Suttle indicated the work on this building had been completed several years ago.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on litigation matters. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

January 25, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JANUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of January, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Amancio Ergina, Yerba Buena Foundation; Dana Young, Pansini Corporation; Ocie Rogers, Joint Housing Committee; John Atha, Nancy Giles, Lori Share and Bill Witte, California Department of Housing and Community Development; Barry Silverman, International Longshoremen's and Warehousemen's Union (ILWU); Tom McMachon, Pacific Maritime Union (PMA); Terry A. Francois and Gerald Baker, Metro Parking; Mary Helen Rogers, Western Addition Project Area Committee; Kendall Hobbs, Amancio Ergina Village; John Russell, McAllister Properties; Steve Parliment, John Stewart Company; and Eileen Henriques and Ralph Hodge, interested citizens.

Representing the press was Evelyn Hsu, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of November 16, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of January 11, 1983, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of January 18, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of January 11, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the closed session of January 18, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is in Washington, D.C. with the Mayor regarding 49 Fourth Street in Yerba Buena Center.
- (b) The closing of El Bethel Terrace a 100 unit development for the elderly occurred today. Construction of this \$7.5 million development will begin in approximately two to three weeks.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an Agreement for Disposition of Land, Parcels 728-A, E & J; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Kernan reported on item (a) as follows. This project has been under development since 1976 and the developer has been before the Commission with various proposals. The developer has now outlined a development with feasible avenues of funding. The developer plans to build 72 cooperative residential units and proposes to use two different kinds of funding; one involves a State subsidized program, which is available to the developer for a short time only and unlikely to be duplicated, and will essentially finance the 29 subsidized units in the development. The remaining 43 units will be permanently financed under the City Bond Program that will provide tax-exempt mortgage funds at 10.75% for 30 years. Individual mortgages will be taken out on the 43 City Bond Program units, and the construction loan, which is being negotiated with ILWU, will be retired over time on unit-by-unit releases estimated to be approximately 12 months. The performance dates in the LDA call for Submission of Evidence of Financing by March 31, 1983; Conveyance of the Site April 15, 1983 and Commencement of Construction by May 15, 1983. The developer will be trying to accelerate this schedule, since the State requires commencement of construction no later than March 31, 1983. Amendments to the LDA are now recommended which

NEW BUSINESS (continued)

restrict the income and sales price limits to the City-wide Affordable Housing Program, and will be periodically adjusted. This will apply to both new units as well as the transfer of shares in the future, whether or not a shareholder uses the City-wide Affordable Housing Program or not. Also the Affirmative Action Program provided by the developer is incomplete and language in the LDA will require the submission of a satisfactory Affirmative Action Program within 15 days after approval of the LDA.

Ms. Eileen Henriques inquired as to exactly what is going to happen with this property. Mr. Steve Parliment, consultant to the nonprofit sponsor of this development from the John Stewart Company, gave a brief background on this development and indicated he believed they now have the ingredients to make it work. Mr. Parliment introduced Dr. Amancio Ergina, who had worked diligently on this development and Mr. John Atha and Ms. Nancy Giles from the California Department of Housing and Community Development, which Agency would be providing money for the assisted portion of the development. Mr. Parliment also introduced Mr. Bill Witte and Ms. Lorie Share from the Mayor's Office of Housing and Community Development, which office would be providing take out financing for the 43 units.

Mr. Barry Silverman, Research Director, ILWU, expressed his views regarding the development and indicated that he wanted it made clear that the money will not come from the Union, but the jointly administered Pension Trust Fund. He also pointed out the last venture they had undertaken, St. Francis Square, a low and moderate income co-operative in San Francisco. If this loan is approved, the fund will provide the critical final element of the financing package for this much needed housing and of course the all important accompanying jobs.

Ms. Henriques inquired why all low-income housing is being put in this two block area. Mr. Kernan responded that achieving this mix of cooperative housing is very difficult and much effort has been put into this one and the Agency is proud to have it happen. The reason why the low-income housing is being put there is because that is where a lot of the low-income people were. The Agency made a commitment, and to the extent it could, to provide replacement housing in that area and that is what the Agency is doing and is proud of doing.

Ms. Mary Rogers, WAPAC, urged the Commission approve this project.

There being no further persons wishing to appear in connection with the matter, President Lee declared the public hearing closed.

Ms. Blomquist inquired if the Commission had seen plans for this development and Mr. Kernan responded affirmatively, but that it had been some time ago. Ms. Blomquist requested that when developments come forward, staff should show the plans and Mr. Kernan indicated in the future they would.

NEW BUSINESS (continued)

Ms. Blomquist indicated the Agency had already given \$115,000 to this project and she believed the Agency was now being asked to contribute substantially on the sales price of the land and she wanted to get staff's assurance to the Commission that there is no profit occurring to the developer or investor, as stated in the memo on page 5, point 8, the sponsor is a non-profit foundation.

Mr. Kernan indicated that he can give the Commission that assurance and also asked that the developer provide that assurance. Dr. Amancio Ergina responded that it is a non-profit organization; there is no money going to be made and they are selling it at cost.

President Lee inquired if legal counsel had worked out the details on page 5 of the memo, item 5, the mitigation against speculation and excessive appreciation of the units after it has been sold. Mr. Kernan indicated that what staff is saying is that in terms of appreciation of the units that is limited under the City's financing program, there is a limited build up of equity. The purpose being that since they are cooperatives, the Agency would like them to stay affordable, so that somebody that buys a unit and sells it in three or four years is only allowed a limited increase in their equity build up. That is so somebody else may buy in who is also in that affordable range. That requirement, which is a requirement of the City's financing program, is being built into the LDA and will be a requirement of the LDA.

Mr. Borregard, Agency General Counsel, indicated a new provision has been added called Section 910, which applies the City-wide affordable housing program restrictions, both as to income limits and maximum sales price to these units, so that the purpose and intent of that section, requires that it be in the by-laws of the cooperative. Even were the City affordable program for some reason disappear, those restrictions will remain in the by-laws of the cooperatives.

Ms. Berk inquired if that applied to all 72 units or just the 43 units, and Mr. Borregard indicated that 29 units have separate restrictions, which derive from the State financing. The 43 units are not subject to the State financing restrictions, but are subject to the City's affordable housing restrictions. Ms. Berk inquired if the State financing restrictions impose the same kind of restrictions, and Mr. Borregard stated that he believed so.

Mr. Parliament also responded, stating they are proposing to the State and it is being reviewed at this time, that the share value, the down payment that is made on the share, appreciate as changes in the consumer price index change over time. This is so that a person, when they transfer their share, will derive in relative terms the same value that they put into it when they bought, but there is not a speculative profit on the sale of the share for the 29 units. For the 43, the terms of the sale price and income are the same as the City's affordable housing program.

NEW BUSINESS (continued)

Mr. Borregard inquired if the income limits for the State program are also restricted, and Mr. Parliment indicated they are statutory for 20 of those units; they are for people at 50% of the median income or less, and for nine of the assisted units, they are for people between 50 and 80% of the median and are firmly fixed in law and regulations by the State.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-83 BE ADOPTED.

- (b) Resolution No. 16-83, requests authorization to execute a Second Amendatory to extend the Performance Schedule by 90 days to the Land Disposition Agreement with McAllister Properties, Inc. for the parcel located on the east side of Gough Street between Golden Gate Avenue and McAllister Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. As a result of the Board of Supervisors' eliminating the Fire Zone restrictions on this property, a First Amendatory to the LDA was granted on July 20, 1982 to provide time for the developer to redesign the development. This redesign was to produce a savings of between \$15,000 to \$20,000 per unit. As part of that amendatory the developer was also authorized to convert the proposed office condominiums to residential condominiums. The developer now plans to build a total of 51 residential units. The evidence of financing submitted as required on January 10, 1983 was not satisfactory and the developer has requested additional time to make a satisfactory submission. While permanent financing is available, no construction financing has been found at terms which do not jeopardize project feasibility or raise the sales price of the units out of affordable range. The revised performance dates will be as follows: Submission of Evidence of Financing from January 10 to April 13, 1983; and Conveyance of the site from March 9 to June 8, 1983. Since March 15, 1983 is the price expiration date on the property and conveyance is not expected to occur on or before that date, staff will begin its review of all market data to arrive at the fair value for the land, and has so advised the developer. Language has been inserted in the Second Amendatory which sets forth the time schedule for reappraisal. When the new price has been determined, staff will return to the Commission with a further Amendatory Agreement incorporating that price into the LDA.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-83 BE ADOPTED.

- (c) and (d) Resolution No. 17-83 and 18-83, item (c) requests authorization to write off certain delinquent rental accounts due to hardship totaling \$8,821.67; and item (d) requests authorization to write off delinquent accounts that have no reasonable prospect of collection totaling \$958.35 in the Western Addition A-2 and Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on items (c) and (d) as follows. The Agency's rental policy, as well as Federal Regulations, provide for write-offs of delinquent rental accounts when they fall within certain categories: Category A - where collection would impose undue hardship; Category B - when there is no reasonable prospect of collection; and Category C - collection costs are unwarranted. All accounts fall within Category A or B. Staff is currently utilizing the services of Transworld Systems, Inc. to collect delinquent rents.

Ms. Eileen Henriques indicated she was amazed that there was no public at these meetings and she did not like to come before the Commission and be physically threatened, which has happened often when she comes to the meetings and she knows this has kept some of her neighbors from going to advisory meetings, but did not know if it kept them from coming to the Agency meetings. Ms. Henriques inquired where the units are located and Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated that staff tries not to circulate the information on the accounts that are being written off, although they are available for public inspection. Mr. Mills noted that the Commission is only requested to write off vacated accounts. As long as people are tenants of the Agency, staff tries to work with them to resolve any delinquencies they may have.

Mr. Kernan noted that the accounts being written off are a matter of public record in the sense that they are in the Brown Act Book, which is available for public inspection for those interested, and is located in the brown binder on the table by the speakers podium.

Ms. Berk indicated to Ms. Henriques that the Commission agrees there should be greater attendance of the public, but this is found on many Commissions in the City. This Commission asks for public comment on everything that comes before them, not only at public hearings, as the Commission wants to hear what the public has to say. As far as intimidation goes the Commission would be the first to say they hope that does not occur in these meetings and believed on the whole the meetings are quite peaceful and harmonious and a welcome is extended to everybody in all the neighborhoods of the City to come and tell the Commission how they feel. This Commission is aware they are deciding public business and that is a power given to them that is not treated lightly.

Mr. Newman noted that if Ms. Henriques was threatened it should be reported to Agency staff and the authorities should be advised.

Mr. King indicated he echoed Ms. Berk's comments and that this Commission tries to do everything they can to get the public involved, without any threats or intimidation.

President Lee indicated that the Commission always welcomes all comments from groups and individuals and Ms. Henriques comments are valued and the Commission expects her to appear at future meetings.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-83 BE ADOPTED.

- (e) Resolution No. 19-83, requests authorization to expend \$2,500 to remove two trailers formerly occupied as temporary accommodations by Roy's and Kono's Barbershops at 1720 and 1722 Buchanan Street in the Western Addition A-2. Staff is now recommending that this item be held while they work with the Nihonmachi Corporation and the mover to move the trailers at no additional cost. If staff determines that it cannot be done without risk of undue damage, then the item will be calendared at a future meeting.
- (f) Resolution No. 20-83, requests reimbursement of \$366.09 to Helen L. Sause, Project Director, Yerba Buena Center, for additional expenses incurred at a NAHRO National convention in Boston.

Mr. Kernan reported on item (f) as follows. The Commission authorized Ms. Sause to attend the Convention from October 24-27, 1982. It was unforeseen at that time that a full-day Community Revitalization and Development meeting would be scheduled on October 23, which necessitated Ms. Sause going a day early. During the Conference, Ms. Sause was selected Program Chair for the 1983 National Conference in San Diego. This required that she stay an additional day to work with the New England NAHRO staff and the 1982 National Program Director on the development of the 1983 National Conference. The two additional days placed Ms. Sause's expense \$366.09 over the cost allocated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 21-83, requests authorization for Mr. Hamilton to travel to Washington, D.C. to accompany Mayor Feinstein, January 25-28, 1983.

Mr. Kernan reported on the following. At the request of Mayor Dianne Feinstein, Mr. Hamilton will be travelling to Washington, D.C. on Tuesday, January 25 through Friday, January 28, 1983 for the purpose of meeting with General Services Administration administrators and Congressional legislators in order to clarify issues related to the acquisition of 49 Fourth Street. These meetings are essential to the completion of the Yerba Buena Center Central Blocks. Cost to the Agency will not exceed \$1,000.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Mr. Terry Francois, representing Metropolitan Parking, requested the Commission not put the parcel at 4th and Mission in Yerba Buena Center out to bid for commercial parking, as it would seriously damage Metropolitan's operation. Mr. Francois suggested the Commission consider an alternative, which is to explore the possibility of renting at a nominal fee or free the parcel to the Downtown Community College. He requested the Commission postpone the bid opening until the Agency had talked to the Community College regarding this alternative.

Mr. Gerald Baker, Metropolitan Parking, opposed this parcel being a commercial parking lot.

Mr. Newman inquired how many parking spaces there would be at this site and Mr. Baker indicated they estimated 160 to 180. Mr. Newman inquired what the daily parking rate would be and Mr. Baker indicated he could only go by what they are charging across the street, which is \$3.00 for early bird parking to 9:30 a.m. otherwise the rate is \$5.00.

Ms. Blomquist inquired how many stalls Metropolitan rents from the Agency and Mr. Baker indicated the addresses and number of parking spaces of about 3,252. Ms. Blomquist indicated with about 3 to 4,000 parking spaces you are concerned about 140 parking spaces and Mr. Baker indicated affirmatively. Ms. Blomquist indicated she could see no reason to stop the bid process and believed it would be a huge mistake and show favoritism and would not be a benefit to the Agency.

Mr. Jack Baxter, Fineway Parking Company, indicated that their company is ready, willing and able to bid on this parcel and hopes the bid opening goes forward.

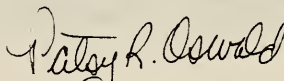
Mr. Kernan indicated that staff had delayed the bid opening so that Metropolitan could be heard. The Agency has never said they would not bid other sites. There is no reason to not put this out to bid, so the site can be put to use until development is ready to begin. He requested the Commission proceed with the bids, as he believed it in the best interest of the Agency.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT THE BIDDING PROCESS PROCEED ON THE 4TH AND MISSION SITE IN YERBA BUENA CENTER.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

February 8, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF FEBRUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 1st day of February, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, Vice President
H. Jesse Arnette
Charlotte Berk
Dian Blomquist
Haig Mardikian

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and the following was absent:

Melvin D. Lee, President (arrived at 4:20 p.m.)
Walter S. Newman

The Acting President Leroy King declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; M. J. Staymates, Western Addition Neighborhood Association (WANA); Pleasant P. Carson, Jr. and Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Arnold Townsend and Joe Rudolph, KP00 Radio; Joe Skiffer, Bushmoor Associates; Reverend Amos Brown, Third Baptist Church; and Steva Cheatham, Askia Sonyika and Richard Becker, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matter:

- (a) Mr. Hamilton is attending the Managing Motivation Seminar for High Performance for Executive Managers, given by Transamerica Pyramid, this week in San Francisco, but will be in the office after 5 p.m.

NEW BUSINESS

- (a) Resolution No. 22-83, requests authorization to execute a rental agreement with U/C Construction Company for use as employee parking for a portion of the parcel located on the northeast corner of Sutter and Steiner Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (a) as follows. U/C Construction is the general contractor for Phase I of Amelia Gardens, which consists of 36 condominium units being developed by Bushmoor Associates on one parcel and the second phase on an adjacent parcel will consist of 14 units. The subject vacant parcel is scheduled to be conveyed to the Suttermore Associates by April 12, 1983. Tenancy will be a month-to-month at a rental rate of \$100 per month and will have a 7-day vacate notice. The contractor has agreed to place gravel on the site for dust control and to keep the surrounding area clean.

Ms. Mary Jane Staymates, Western Addition Neighborhood Association (WANA), requested that the gravel and dust abatement be adequate and that the area be kept clean, because her prior experience had shown these lots to be eyesores.

Mr. Joseph Skiffer, Bushmoor Associates, indicated that the gravel should mitigate the dust and he would see that the contractor keeps the area clean.

Mr. Joseph Fitzpatrick, U/C Construction, indicated they would have sufficient gravel placed on the lot and after the cars were parked in the morning the gate would be locked and not reopened until closing time, so no one would be racing around and stirring up dust.

Mr. Arnelle inquired if Mr. Fitzpatrick felt the gravel would control the dust and Mr. Fitzpatrick indicated affirmatively.

Mr. Arnelle inquired what recourse did people have if the gravel was not adequate and Mr. Kernan responded that they should let the Agency know and if the contractor does not comply with the agreement they can be terminated.

President Lee arrived at this time and assumed the chair, 4:20 p.m.

Mr. Pleasant Carson, WAPAC, indicated his concern with the safety on the site and the dust factor.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-83 BE ADOPTED.

- (b) Resolution No. 23-83, requests authorization to enter into exclusive negotiations for 60 days with KP00 Radio and Associates, a limited partnership, for the purchase and rehabilitation of 1325-29 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. At the January 11, 1983 presentation of the Fifth Amendatory with KP00 and Associates, KP00 advised the Commission of their desire to dissolve the joint venture agreement with Mr. Robert Becker who concurred with this decision. No action was taken, and the LDA was automatically terminated.

NEW BUSINESS (continued)

Although the original LDA provided for rental residential units, it has become clear that the only way to make the project feasible and include KP00 at minimal rent is to convert the residential units to condominiums. KP00 has accepted that fact and has selected new partners, The Carnelian Group, Inc., a development firm headed by Roger Superko as managing general partner, and Arnold Townsend as an individual. Mr. Superko has obtained a tentative \$1,000,000 commitment for permanent financing through the City's recent sixty million dollar bond issue which includes mortgage assistance in order to make the units affordable to low and moderate income households. Under the terms of the limited partnership, KP00 Radio and Associates will provide KP00 with a lease for 15 years at a rental rate of \$1.00 per year with ownership thereafter of the condominium commercial space and rehabilitate the ground floor space at no cost to KP00 to provide station studios and office spaces. Staff is confident that the developer can meet the submission dates and be ready to enter into a LDA prior to the April 1, 1983 deadline.

Mr. Robert Becker indicated he would like to see if the architect was going to be compensated. Mr. Arnold Townsend, KP00, responded that this is now a new joint venture, the last one which included Mr. Becker terminated. As to the plans, KP00 is using completely different plans. The agreement with the architect was with Mr. Becker not KP00.

President Lee inquired if that answered Mr. Becker's questions and Mr. Becker responded he did not agree with Mr. Townsend and if the architect is not compensated he will take legal action.

Mr. Arnelle indicated this was a question between Mr. Becker and KP00 and is not a matter for this Commission.

Mr. Becker inquired if the Commission was going to take a position regarding the plans and President Lee indicated the Commission could not take a position on these plans.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-83 BE ADOPTED.

- (c) Resolution No. 24-83, requests authorizing a Fourth Amendatory which will extend the performance schedule to the LDA by 3 months for Jones Senior Homes, Inc. for the parcel located on the northwest corner of Fillmore and Post Streets in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. On March 9, 1983 the Agency entered into an LDA with Jones Memorial Homes, Inc. for the construction of 51 units of elderly housing and 5,000 square feet of commercial space. The development is dependent on HUD's Section 202 Direct Loan Financing Program for mortgage financing and on Section

NEW BUSINESS (continued)

8 monies for rent subsidies. On June 15, 1982 the Commission authorized making approximately \$500,000. available to the developer to bring the cost within HUD's ceilings and close the financial gap. Issuance of the building permit by the City and issuance of a firm commitment by HUD are expected by the end of February. These are the only two actions remaining prior to project closing and start of construction, and in order to accommodate these actions the Developer has requested an extension of the LDA's Performance Schedule as follows: Submission of Evidence of Financing from February 9 to May 11, 1983; Conveyance of Site from March 9 to June 8, 1983; and Commencement of Construction from April 9 to July 13, 1983. The 18 month life of the disposition price for the site expired on September 9, 1982, and staff's reappraisal has determined that there is no change in the price. Delays encountered by the Developer were almost exclusively due to HUD's rigid cost containment policy and the difficulty of finding alternative gap financing; however these problems are now resolved, and the project has excellent prospects of moving expeditiously to a construction start. To conform the language of the LDA to the new standard form of LDA, the old language has been deleted and new language, which requires affirmative action by the Agency before the LDA terminates, has been substituted. Also, in view of the delays which have occurred, staff recommends the addition of the Agency's standard "Fast Track" language, which would permit more flexibility by permitting conveyance with a Site permit and excavation and foundation addenda or building permit.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-83 BE ADOPTED.

- (d) Resolution No. 25-83, requests authorization of a First Amendatory Agreement to the LDA with Third Baptist Church of San Francisco, Inc. for the parcel bounded by Eddy, Fillmore, Steiner and Turk Streets in the Western Addition A-2. This Amendatory Agreement will extend the dates in the Schedule of Performance for approximately 180 days.

Mr. Kernan reported on item (d) as follows. An LDA was authorized in May 1982 with Third Baptist for the development of a commercial/office building; an elementary school, and a sanctuary in three phases. However, the demand for office space has lessened raising concern regarding that portion of the development. Economic consultants Keyser-Marston have been requested by the Developer to analyze the viability of the overall program and specifically the commercial/office building. However, Keyser-Marston will not be able to complete the analysis until February 15, 1983. After the Church's review and approval, Robbins and Ream, the developer's architects, will be able to commence work on the preliminary construction documents. To accommodate this new schedule, Third Baptist is requesting the performance schedule be revised as

NEW BUSINESS (continued)

follows: Submission of Preliminary Construction Documents from December 1982 to June 1983; Submission of Evidence of Financing from August 1983 to February 1984; and Conveyance of the Site from October 1983 to April 1984. Since November 4, 1983 is the price expiration date in the Developer's LDA and conveyance of the land is not expected to occur before that date, staff will begin review of all market data to arrive at the fair value for the land. The Developer has been advised of this and has accepted this fact. Language has been inserted in the Amendatory which sets the time schedule for reappraisal.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-83 BE ADOPTED.

- (e) (f) and (g) Resolution Nos. 26-83, 27-83, 28-83 through 40-83, requests authorization of two Third Amendatory Agreements with developers of Lots 5 and 12 and thirteen Fourth Amendatory Agreements with the 13 developers of single family lots 1 through 4, 6 through 11, 13, 15 and 16 within Site S-4 in Hunters Point.

Mr. Kernan reported on items (e), (f), and (g) as follows. Each Amendatory Agreement revises the performance schedule contained in the LDA for submission of evidence of financing from January 31 to May 4, 1983, conveyance of site from March 3 to June 8, 1983; and completion of construction from March 3 to June 6, 1984. The developers were selected from an Agency offering of 16 single-family lots which were offered exclusively to certificate holders and residents of Hunters Point. Lot 14 was conveyed to Caesar Young earlier this year and his project is 70 percent complete. Staff met with the remaining participants to explore alternative methods to obtain interim and mortgage financing. During the meetings, the participants chose SOCA Development Company as the builder/developer who would finance the construction phase of the project. The S-4 participants are currently concluding their negotiations with SOCA and have mutually agreed in principle upon terms. In conjunction with the negotiations, staff believes an extended Agreement would provide the necessary time for SOCA and the S-4 participants to finalize their arrangement with a prospective financial institution. By February 11 this year, the prices on each parcel will expire. Staff requested reappraisals and the report states that residential land in Hunters Point has remained relatively static and the price has remained unchanged for each S-4 site.

Mr. Kernan informed the Commission and the public that there will be a documentary regarding Hunters Point on KQED, February 16 on Channel 9 at 8 p.m. which will cover one of the Site S-4 developers, Mr. Caesar Young and his new home.

Ms. Blomquist indicated SOCA has one parcel to develop and is unable to develop it; why is the Agency confident SOCA Development can provide financing for all of the developments, and Mr. Don Boykin,

NEW BUSINESS (continued)

Development Specialist, indicated Mr. William Barker of SOCA has stated that if the developers can obtain take out financing, then SOCA will provide the construction financing for all of the developers. Ms. Blomquist inquired then that SOCA has the financing and Mr. Boykin responded affirmatively. Ms. Blomquist inquired all the construction financing and Mr. Boykin responded affirmatively.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-83 BE ADOPTED.

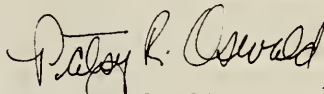
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOS. 28-83 THROUGH AND INCLUDING 40-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

February 8, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF FEBRUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of February, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Charlotte Berk
Dian Blomquist
Haig Mardikian

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and the following was absent:

Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee (JHC); Jack Baxter, Fineway Parking Company; and Gregory Bartels, Rite Spot Parking.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of January 4, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of January 25, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of February 1, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Managing for Motivation and High Performance Seminar which he attended last week, as a requirement for all of the City's department heads, was indeed worth the time spent. The possibility

REPORT OF THE EXECUTIVE DIRECTOR (continued)

of making that seminar available for all of the managers within the Agency and other City departments is being looked at, and it should be helpful in improving performance across the board.

- (b) His recent trip to Washington, from which he just returned, dealt essentially with legislative initiatives, which are in the pipeline being considered or being prepared by Congressional staff members. He had an opportunity to meet with those legislators on both sides who were involved in city legislation, in revamping the UDAG legislation, and most importantly, to function as a member of the Task Force to develop a new housing production tool. There is not now available in this country a housing production tool, which has any federal support.

His time was spent meeting with Congressman Gonzales from Texas and others who are on Key Committees, such as housing, banking, and currency, and some encouragement has been received for coming forward with that legislative proposal. Now is the time for those things to be put in the pipeline if they are going to be considered in this session; they will have to be part of the package which is developed quite early. The meeting was well attended, with some 500 representatives of agencies around the country, and on one occasion there were 66 legislators in one room. That is a response level that is rather hard to duplicate in recent history.

Also there were discussions with Mr. Gary Wilson of Marriott, in connection with the GSA parcel, as well as the GSA staff. On that matter, there is a rather firm schedule in place now for going public and offering that site, should the hearing on the 16th of February not be successful with respect to clarifying the issues about which Congressman Levitas continues to be concerned. Mr. Hamilton indicated he may have to accompany the Mayor for that hearing, but will advise the Commission through the President if that is the case.

- (c) This Friday there will be a tribute for Dr. Hannibal Williams, who is a former commissioner of this Agency. It will be held in the dining room of St. Mary's Cathedral. This is an opportunity for the City, the community, and the Agency to say thanks to a courageous and loving individual for his service to the church, to his community and indeed to the City.

NEW BUSINESS

- (a) Resolution No. 41-83, requests authorization to pay \$19,980. to L. Baker General Insurance for all risks coverage, except earthquake, war, flood and nuclear, on thirty of the Agency's buildings which are to be rehabilitated. Coverage is for a one year period.

Mr. Hamilton reported on item (a) as follows. On January 3, 1983 staff solicited proposals from seven brokers with the lowest

NEW BUSINESS (continued)

quotation received from L. Baker General Insurance for \$19,980. with a \$2,500. deductible. L. Baker General Insurance is an area-based minority broker. The insurance carrier is Universal Security Insurance Company which is top rated at A+ by Best's Rating Guide.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-83, BE ADOPTED.

- (b) Resolution No. 42-83, requests authorization to execute a Third Amendment to the Agreement for Professional Services with Environmental Science Associates, Inc. to provide an additional appropriation for environmental analysis which has already been included within the Environmental Impact Report Second Supplement for the Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. A joint meeting was held with the City Planning Commission on December 2, 1982 at which time additional questions were raised by some Planning Commissioners. It was necessary to instruct our consultant, Environmental Science Associates, to answer those additional questions. These additional services were not covered within ESA's existing contract, therefore an Amendment is necessary. Staff has negotiated a Third Amendment with the consultants and arrived at an agreed upon cost not to exceed \$7,900., which will bring the total contract amount to \$202,500.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-83 BE ADOPTED.

- (c) Resolution No. 43-83, requests authorization of a rental agreement with Fineway Parking Co. for the rental of Agency-owned land at the northeast corner of Fourth and Mission Streets for the purpose of operating a public parking lot in the Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows. Staff believes an appropriate interim use for this parcel would be public parking which will also provide additional income to the Agency. Improvements will be made to enhance the appearance of the parcel at no cost to the Agency. In order to provide protection for the tenants' investment, the improvements will be pro-rated over a 12-month period and the tenant will be reimbursed the proportionate share of the improvements, if tenancy is terminated in less than one year. Advertisements were placed in several publications with four firms submitting bids. Fineway Parking, the third highest bidder in the amount of \$5,664, has been determined to have a responsive bid, and has indicated their desire to proceed. Fineway Parking has been in partnership with San Francisco Parking for over 15 years and operates 10 parking lots and garages throughout San Francisco.

Mr. Gregory Bartels of Rite Spot Parking, indicated he could not understand why Fineway Parking was being awarded this contract as Bartels' bid was higher.

NEW BUSINESS (continued)

Mr. Earl Mills, Deputy Executive Director, Community Services responded that based on the recommendations of the Agency General Counsel, staff felt Mr. Bartels' bid was nonresponsive because he included a payment not requested in the bid documents. Though his bid is higher than Fineway's, staff feels it important that when the Agency puts out bid documents and offers a contract and spells out the rules for bidding on that contract, the Agency should follow those rules and anyone who does not follow those rules has submitted a bid that is nonresponsive.

Ms. Blomquist requested staff be specific on what they mean by nonresponsive, as Bartels is offering more money than the other bidder. Mr. David Oster, Assistant General Counsel, responded that Mr. Bartel's bid was ambiguous because in addition to the bid amount he indicated a plus percentage of the net cost with no amount filled in and if the Agency accepted his bid they would have to negotiate the percentage. Ms. Blomquist inquired why then did staff not negotiate with Mr. Bartels as he is offering more money. Mr. Oster indicated Bartels' bid is nonresponsive and ambiguous and the Commission could reject all bids and negotiate.

Mr. Hamilton inquired if it is legal's view that if Mr. Bartels struck the percentage of net consideration would that be disallowed in the bid process because it was something that was not included and Mr. Oster indicated affirmatively.

Mr. Mardikian indicated he agreed with staff that Mr. Bartels' bid was non-responsive and inquired of Mr. Bartels what he meant by "plus percentage" of the net and Mr. Bartels indicated he meant to put in 5% and it was his mistake he had not done so.

Mr. Arnelle inquired why Mr. Bartels added the plus percentage to his bid, and Mr. Bartels indicated that he felt it would give him an advantage over the other bidders.

Mr. Redmond F. Kernan, Deputy Executive Director, indicated the Commission could reject all bids and negotiate with Mr. Bartels, but by doing so, would discredit the Agency's bid process.

Mr. Jack Baxter, Fineway Parking Company, indicated they had bid according to the instructions, were ready to start work the next day and added that they will have an attendant on the lot.

ADOPTION: IT AS MOVED BY MR. KING AND SECONDED BY MR. MARDIKIAN, THAT RESOLUTION NO. 43-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Berk
Mr. King
Mr. Mardikian
Mr. Lee

Minutes of a Regular Meeting, February 8, 1983

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist, indicated she felt it should go
to the second highest bidder.

AND THE FOLLOWING ABSTAINED:

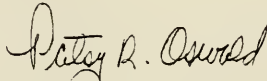
None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried
that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

February 22, 1983

5
83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF FEBRUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of February, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist

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and the following was absent:

H. Jesse Arnelle
Haig Mardikian
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were R. M. Charnock, Valmar A. Schaaf, Rodney D. Vinion and Roslyn Baltimore, Eddy Place Associates; Mary Helen Rogers, Wade Woods and Pleasant Carson, Western Addition Project Area Committee (WAPAC); Kay Godan, Dames & Moore; and Reverend Howard Gloyd, Jewel Anderson, Tora Gretsche and Terence Hallinan, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the continued special meeting of January 4, 1983 (1), as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the continued special meeting of January 4, 1983 (2), as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Hannibal Williams Testimonial Dinner, which was held last Friday night, was a success. Mr. Hamilton congratulated the Committee, those responsible, Pat Feinsilver, Mary Rogers and others, for a job well done.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) A reminder of the Channel 9 Report on Hunters Point Wednesday, February 16 at 8 p.m. A great deal of attention will be given to the Caesar Young house, one of the 16 Site S-4 developers in Hunters Point.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in an Amendment to the Disposition Agreement, Parcel 743-A; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 44-83, requests authorization of a Third Amendatory Agreement to the LDA with Eddy Place Associates for the parcel located on the south side of Eddy Street between Franklin Street and Van Ness Avenue in the Western Addition A-2. This amendatory will change the use from residential/office to commercial/office and extend the time for submission of evidence of financing.

Mr. Hamilton reported on item (a) as follows. The Commission approved an LDA with Eddy Place Associates in September 1981 to develop 10,000 square feet of office space and four residential condominiums. This was in response to Offering No. 21 that had a desired use for the site to be developed with a commercial building containing retail, restaurant and/or office use on the first two floors, and market rate residential on the third floor. In October 1982 Eddy Place Associates requested a change of use for their development to commercial/office stating that there was considerable lender resistance to the residential portion of the development. However, staff could not recommend a change at that time because there was no evidence of lender interest in the development without the residential portion. A Second Amendatory was granted in November 1982 for staff to analyze the development and for the developer to secure financing. Eddy Place now has brought forward Union Bank as lender to provide financing for the development which is conditional on elimination of the four residential units. The evidence of financing submitted as required by the LDA schedule was not satisfactory because it relied on a change of use, which had not been granted. The developer has requested additional time to make a satisfactory submission and evidence of financing would be due March 1, 1983. The conveyance date of March 22, 1983 would not be changed.

Mr. Terence Hallinan, 819 Eddy Street, indicated his opposition to this item and felt that if the Commission is going to change the use of the site from the original offering, then they should reopen the offering to the original bidders.

Mr. Wade Woods, WAPAC, indicated they did not object to the change, but recommended action be continued because questions asked the developer had not been answered.

NEW BUSINESS (continued)

Ms. Jewel Anderson indicated she supports the recommendation of Agency staff that the developer proceed without residential and urged Commission approval.

Mr. Pleasant Carson, WAPAC, indicated WAPAC had not had sufficient time to study the project and the changes being made and requested the item be held.

Reverend Howard Gloyd indicated support of staff's recommendation and urged Commission approval conditioned on WAPAC receiving the information they had requested.

Ms. Roslyn Baltimore, Eddy Place Associates, indicated the building had not changed since the last time it had been presented, and the building should be under construction within 60 days.

Mr. Valmar Schaaf, Engineer for Eddy Place Associates, indicated changes were made to remove the penthouse, but the appearance in front and sides are the same as originally submitted.

Mr. Dick Charnock of Union Bank indicated that all documents had been done in a very professional manner, and that the bank had requested the residential units be eliminated as a condition to financing the project.

Ms. Tora Gretsich, 319 Eddy Street, indicated her opposition to this item.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Hamilton indicated that the parcel was offered with the expectation it would be a mixed-use development. The stated preference was for a development that included housing and most developers were not willing to try to achieve the desired program as stated in the offering. Statmuller House did not even offer commercial to meet that portion of the desired use in the offering. It was felt that the Agency's program was best served by going with the developer who offered the most desired use and that was Eddy Place Associates. With respect to WAPAC's concerns, they have been advised there is no change of developer entity. Mr. Hamilton suggested that this item be approved conditioned on WAPAC receiving the information they requested.

Ms. Blomquist indicated she is uncomfortable about acting on this as it seems WAPAC has asked for information and not received it and suggested the item be held a week to make sure they receive the information. Ms. Blomquist indicated that with WAPAC being unhappy and the people at Statdmuller house being unhappy, it is difficult for her to feel very positive about this until some of these things are resolved.

NEW BUSINESS (continued)

Ms. Berk inquired if it wasn't a matter of record as to who is involved in this development, and Mr. Hamilton indicated affirmatively. Ms. Berk inquired if there had been any changes and Mr. Hamilton indicated no.

Ms. Blomquist inquired of WAPAC to be more specific about the information they want, and Mr. Woods indicated they want to know what is involved, what the project changed to, and who is the contractor. Mr. Woods presented a letter from the developer to Ms. Blomquist who gave an excerpt from that letter naming the developer, contractor and architect and Mr. Woods indicated he had never heard of any of them.

Mr. Carson indicated they had asked for specific information on the breakdown of the development's corporation in terms of how changes would be made and all they were told was that the size of the building would not be changed.

Mr. King inquired if WAPAC had originally approved this project and Mr. Woods indicated affirmatively, as residential. Mr. King indicated, as he understands it, there has been no change.

Mr. Hamilton informed the Commission that the item had gone before the WAPAC Board before and had been approved. Mr. Carson stated the change came before the Board on January 27th, and stated they did not have any information in order to analyze the development so they could make a recommendation.

President Lee inquired if WAPAC's main concern was changing from residential to commercial, and Mr. Carson responded affirmatively.

Ms. Mary Rogers, WAPAC, indicated that they had gone on record and supported this project, and urged the Commission vote in favor of staff's recommendation.

Ms. Berk indicated she shared Ms. Blomquist's unease, because it is not often the community organization lets the Commission know they are upset about something. However, no one has substantiated a reason for the Commission not to approve the change in use.

President Lee inquired of Mr. Charnock of Union Bank if they will provide interim financing or take out financing, and also asked if they were confident that the timetable of March 1 would be reached. Mr. Charnock responded they would be providing both interim and take out financing and that they could make a commitment by March 1.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-83 BE ADOPTED.

Ms. Blomquist indicated she wanted to know personally if WAPAC did not receive the information they feel is necessary on this item.

NEW BUSINESS (continued)

- (b) Resolution No. 45-83, requests authorization to execute a contract with the Mayor's Office of Housing and Community Development (OHCD) to allow use of Agency staff to perform monitoring services on the fiscal and physical condition of Amancio Ergina Cooperative Village development in the Western Addition A-2.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner this item would be continued for one week at staff request. There being no objection it was so ordered.

- (c) Resolution No. 46-83, requests authorization to enter into a tri-party contract with the Mayor's Office of Housing and Community Development and the firm of Morris, Davis & Company for a Financial and Compliance audit of the Agency's categorical funds for the period January 1, 1982 through December 31, 1982 in an amount not to exceed \$6,260.

Mr. Hamilton reported on item (c) as follows. HUD regulations require a biennial Financial and Compliance audit of the Community Development Block Grant, Urban Development Action Grant and Categorical funds. Such audits must include an examination of Agency records for the Agency's portion of CDBG funds, and the Agency is directly responsible for the audit of categorical funds. Since the same financial system is used by the Agency for both categorical and CDBG funds, it is more economical to utilize the same auditors for all Federal funds. At the Agency's request, OHCD solicited proposals to include a request for the audit of categorical grants. Morris, Davis & Company, as the overall low bidder, was selected by OHCD to perform the audits, and Agency staff concurs with this selection.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-83 BE ADOPTED.

- (d) Resolution No. 47-83, requests authorization of a Fourth Amendment to the Agreement for Legal Services with the law firm of Steefel, Levitt and Weiss in connection with services encompassing only the Yerba Buena Center Project Area portion of this contract in an amount not to exceed \$100,000.

Mr. Hamilton reported on item (d) as follows. The additional contract amount requested will cover a pending billing for which there is insufficient funding, and for future billings, as negotiations proceed with the DDA stage of the YBC project. Affirmative action material indicates a significant effort on the part of this firm; although the result is less than desired. However, careful checking has indicated a true "good faith" effort has been made. It is important to continue the momentum of these negotiations.

Ms. Berk indicated that the last time this item had been before the Commission, the Commission expressed it would like to see this firm do everything they could to implement what the Commission considers

NEW BUSINESS (continued)

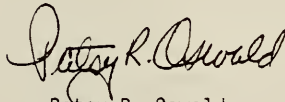
a reasonable affirmative action program; and she wanted to reiterate this particularly in the absence of Commission Arnelle, because it is a great concern to him and this Commission shares his concerns.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-83 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

March 1, 1983

183

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF FEBRUARY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of February, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Walter S. Newman

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and the following was absent:

Charlotte Berk (arrived at 4:08 p.m.)
Dian Blomquist
Haig Mardikian (arrived at 4:11 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were C.M. Sprincin Co., Inc.; Ocie Mae Rogers, Joint Housing Committee (JHC); L. Jamerson, Jamerson Developers; Mary Helen Rogers, Western Addition Project Area (WAPAC); and Nicola Smith and Roy Chew, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of February 8, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Staff is happy to report that Mr. Roy Chew's building at 1400 Post Street closed last week, as well as the Korean Center, also on Post Street, in the Western Addition A-2.

NEW BUSINESS

- (a) Resolution No. 48-83, requests authorization of a Sixth Amendatory Agreement to the LDA with Goodlett Management Corporation (GMC)

NEW BUSINESS (continued)

doing business as Kimball Park Project for the parcel located at the northeast corner of O'Farrell and Steiner Streets in the Western Addition A-2. The extension of the performance dates in the LDA will be for approximately 90 days.

Ms. Berk arrived at this time, 4:08 p.m.

Mr. Hamilton reported on item (a) as follows. An LDA was approved in April 1981 for the development of 20 two-bedroom condominiums. In December of last year, a price increase was approved for this parcel of 50% to \$201,000.00. GMC asserts that this increase has significantly reduced the viability of the development, and for that reason was unable to provide evidence of financing on the specified due date and was placed in default. The Developer is now negotiating a joint venture with the Charles Sprincin, Inc. to bolster the development and assure its completion. This firm has extensive experience in financing and constructing single family housing. GMC is confident the addition of Sprincin, Inc. will be the deciding factor in the success of the development. During the requested extension, the Developer would complete its negotiations with Sprincin Inc. and formally request approval of the newly formed joint venture. The performance dates would be revised as follows: Submission of Evidence of Financing from February 8, 1983 to May 11, 1983; and Conveyance of Site from March 8, 1983 to June 8, 1983. With the addition of this joint venture partner, staff believes success is highly probable. Mr. Mardikian arrived at this time, 4:11 p.m.

Mr. Newman inquired why staff feels this new partnership will make this development highly probable and Mr. Hamilton responded that he had reviewed with staff the qualifications and experience of the joint venture partner and it brings the one thing lacking in this venture, which is housing development and financing experience, as well as financial capability.

President Lee inquired if Mr. Sprincin was taking the financing role as well as the construction role and Mr. Sprincin indicated they are not contractors, but developers, and the entire financial burden would be his and that the size and scope is within their ability.

Mr. Newman inquired if Mr. Sprincin sees any unforeseen circumstances that might prevent this project from going forward and with financing as it is today if he is confident the project will go forward and Mr. Sprincin responded affirmatively about the project going forward and indicated no prudent person would say they could analyze the unforeseen circumstances, but he was confident they can move ahead. Mr. Newman inquired if the Sprincin Co. had done any other projects in the Bay Area and Mr. Sprincin responded affirmatively, a 102 unit development in South San Francisco. Mr. Newman inquired if they had done bigger projects in other states, and Mr. Sprincin responded affirmatively, a 120 unit

NEW BUSINESS (continued)

development in El Paso, Texas. Mr. Newman inquired what Mr. Sprincin's partnership participation would be and Mr. Sprincin indicated it would be equal participation with Dr. Goodlett.

President Lee indicated that at the previous presentation by Dr. Goodlett's office it was stated that the unit prices would average \$150,000 and inquired if that was the number they were still using and Mr. Sprincin indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-83 BE ADOPTED.

- (b) Resolution No. 49-83, requests authorization of an Owner Participation Agreement with 1245 Van Ness Avenue Limited Partnership for the property located at 1243-51 Van Ness Avenue/ 1301-11 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. This two-story commercial building's tenants on the ground floor are the Fan Factory and Toca Printing, which are currently open for business and a minimum of rehabilitation work is required. Another commercial tenant, Dario's Pizza will occupy the southeast section of the ground floor and plans and specifications are currently being prepared. The second floor tenants improvements have been completed for a 24-hour radio station, KQAK. The exterior facade treatment and identifying sign/graphics will be submitted by the owners for Agency review and approval to ensure environmental design continuity along Van Ness Avenue. All tenant improvements for this building are privately financed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-83 BE ADOPTED.

- (c) Resolution No. 50-83, requests authorization of a Ninth Amendatory Agreement to the LDA With Elizabeth G. Jamerson for the property at 685-91 McAllister Street in the Western Addition A-2. This amendment extends the conveyance date of the LDA to March 15, 1983.

Mr. Hamilton reported on item (c) as follows. In August 1980 the Commission approved an Agreement for Disposition of Land with Mrs. Jamerson for the purchase and rehabilitation of 685-91 McAllister Street. The 1st through 8th Amendatory Agreements were subsequently approved in response to difficulties the Developer had incurred. The 8th Amendatory Agreement scheduled conveyance for no later than February 15, 1983, and although the Developer has satisfactorily completed all requirements except paying the price and accepting conveyance, she has requested additional time in order to obtain better financing terms. This project has received a \$460,000 Section 312 loan commitment which represents 45 percent of the funds that must be borrowed and the Developer has obtained a commitment for the remaining funds, which carries a minimum interest rate of 17 percent. However, Mrs. Jamerson and her son

NEW BUSINESS (continued)

Lafayette Jamerson have been seeking another loan, believing lower interest rates should be available in today's financing market. Staff believes it is likely that a new loan with an improved interest rate can be obtained and that the requested extension of thirty days for the conveyance of the site and close of escrow is reasonable since it will increase the feasibility of the project and result in lower rents to the eventual tenants.

Mr. Mardikian inquired if the present commitment of 17% would be lost if the Jamersons waited for better financing terms and Mr. Hamilton responded no, that the commitment would remain in place.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-83 BE ADOPTED.

- (d) Resolution No. 51-83, requests authorization to enter into a Personal Services Contract with Carey Associates, Inc. to perform a salary and classification study of all Agency positions in an amount not to exceed \$18,000.

Mr. Hamilton reported on item (d) as follows. Significant changes have occurred in the Agency since the last survey was conducted by the San Francisco Civil Service Commission staff in 1976 and 1977. Because of the Agency's reorganization, staff reductions and consolidation of offices, staff feels it is necessary that a new salary and classification study of Agency positions be done. Eight proposals were received and six firms interviewed. Carey Associates completed a similar study for the San Francisco Housing Authority, not only to the satisfaction of management, but to HUD who had mandated the study and to the employee unions. On the basis of their competitive cost figures, their staff qualifications, experience and excellent recommendation, it is staff's belief that Carey Associates is the best candidate. Staff and Carey Associates have agreed upon a scope of services for the study which is to be completed by the end of May. Staff and Carey Associates have met and conferred with representatives of both Local 400 and Local 21 regarding the consultant's proposed approach. The proposed scope of services has been forwarded to the San Francisco Civil Service Commission's staff for their review and comments, and the Commission will be kept advised of the progress of the study.

Ms. Shirley Wysinger, Local 400, indicated the Union feels that the submission date, which only gives staff two days to prepare and submit their material is not sufficient time, and since supervisory staff has 10 calendar days to evaluate the material submitted, staff should have at least 5 working days.

Mr. Hamilton inquired why the employees are given such a short time period and Mr. Nybakken responded that the consultants had assumed a two-day period was sufficient time for employees to summarize their job duties and submit them to their supervisors. Mr. Hamilton

NEW BUSINESS (continued)

suggested that the employees be given until March 2 to complete the questionnaires and the Commission agreed.

Mr. Newman inquired why staff is not using the Civil Service Staff to do the study, as the Agency had done in 1977, and also inquired if staff was satisfied with their work. Mr. Hamilton indicated that staff was satisfied, but this is not Civil Service's normal function. Mr. John Walsh of Civil Service and his Deputy for Classification and Evaluation will be assisting the Agency and reviewing the consultant's report, but will not have the lead.

Ms. Berk inquired if the report will be completed by the end of May and Mr. Hamilton responded affirmatively. Ms. Berk inquired if staff is hoping the information will be available by the next budget submission and Mr. Hamilton responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-83 BE ADOPTED.

- (e) Resolution No. 52-83, requests authorization for Demetrio C. Salvador, Chief, Engineering, to travel to Los Angeles, California to attend a seminar on "Construction Claims and Disputes for Owners and Contractors" on March 17 - 18, 1983 in an amount not to exceed \$820.00.

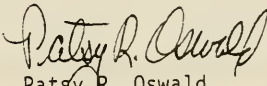
Mr. Hamilton reported on item (e) as follows. The seminar will be presented by the "Engineering News Record" and will generally cover the vital aspects of construction claims from the perspectives of both the contractors and the owner. One of Mr. Salvador's principal duties is to analyze contractors' claims relating to construction contract disputes. Staff believes that the knowledge to be gained from exposure to this seminar could result in a more efficient discharge of his current duties and would therefore be beneficial to the Agency.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

March 15, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF MARCH 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of March, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnette

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; James Bealum, Western Addition Drywall; E. Tanaka, Wes Nihei, Japanese Cultural & Community Center (JCCC); U. J. Montgomery, WAPAC Planning and Development Committee; Mary Helen Rogers, Pleasant Carson, Jr., Joseph Ravarra, Dexter Woods, Robin Winn, Ron Brown and Essie Collins, Western Addition Project Area Committee (WAPAC); Arnold G. Townsend, A. J. Lirot, and Roger Superko, Fillmore Group; Rita Dorst, R.B. Int.; Robert Davis, Taylor, Davis & Phillips; M. J. Staymates, Richard Ray, Western Addition Neighborhood Association (WANA); and Lavolia Baker, L. Baker Insurance.

Representing the press were Gerald Adams, San Francisco Examiner and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of February 15, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

(a) A reminder of the Robert Reece Retirement Dinner this Thursday,

REPORT OF THE EXECUTIVE DIRECTOR (continued)

March 3 at 5:30 at the Miyako Hotel.

- (b) Mrs. Bertha Freeman, a long time Hunters Point and Joint Housing Committee activist, died today. She was one of the moving forces in the early days of planning the Hunters Point Community. Most particular, her leadership brought to bear on the Hunters Point Credit Union, which sponsored 94 units of housing, Unity Cooperative Homes. It is recommended that today's meeting be adjourned in her memory.
- (c) It was noted that a number of items on the agenda would be recommended for continuance for a variety of reasons, some of which staff had no control over. Mr. Hamilton apologized if people were at the meeting to hear those items and indicated the reason for continuance would be given for each item as it appears on the agenda.

UNFINISHED BUSINESS

- (a) Resolution No. 45-83, requests authorization of an Administration Services Contract with the City and County of San Francisco in connection with the Amancio Ergina Village Cooperative; Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The Mayor's Office of Community Development, which must ultimately approve the nature, form and substance of the Agreement, now has some serious program problems. Previously, there were problems with the language of the Agreement that would memorialize the relationship of the responsibilities of the Agency in this activity. Now, there are more substantive issues that do not involve the Agency, but look to clarification from the State. It is recommended this matter be held indefinitely and that it would be brought back when it is appropriate.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (a) would be continued at the request of staff. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in an Amendment to the Land Disposition Agreement for Parcels 767-A and B; Western Addition A-2.

Resolution No. 53-83, requests authorization of a Third Amendatory Agreement which extends the performance dates of the combined Disposition of Land Agreement and Owner Participation Agreement with the State of California, for Parcels 767-A and B, block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets; and ratifying the publication of a Notice of Public Hearing; Western Addition A-2.

NEW BUSINESS (continued)

- (b) Public hearing to hear all persons interested in the Assignment of Interest for Parcels 767-A and B; Western Addition A-2.

Resolution No. 54-83, requests authorization of the Assignment of Interest in the Land Disposition Agreement by the State of California to the San Francisco State Building Authority, for Parcels 767-A and B, block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets; and ratifying the publication of a Notice of Public Hearing; Western Addition A-2.

President Lee opened the public hearings to hear all persons interested in these matters.

Mr. Hamilton reported on items (a) and (b) as follows. Both items are Public Hearings and regard the LDA with the State of California for the parcel located in the block bounded by Golden Gate, Van Ness, Franklin and McAllister Streets in the Western Addition A-2. It is requested that both of the Public Hearings and actions be continued until April 5, 1983. A review of the issues raised by the State regarding the method used in determining new disposition prices was not completed in time for the San Francisco State Building Authority's meeting held February 23. Also, the proposed Assignment of this LDA has been delayed due to the new administration requesting more time to study the cost of construction, since it will directly effect the State's rental obligation in future fiscal years.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Items (a) and (b) would be continued to April 5, 1983 at staff request. There being no objection, it was so ordered.

- (c) Public Hearing to hear all persons interested in the consideration of a Land Disposition Agreement for Parcel AA-2; Hunters Point.

Resolution No. 55-83, requests authorization of a Land Disposition Agreement for Parcel AA-2 with BARCO Developers, located on the north side of Keith Street between Fairfax and Hudson Avenues, and ratifying the publication of a Notice of Public Hearing; Hunters Point.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (c) as follows. It is requested that the public hearing and action be continued until March 22, 1983, while staff resolves some outstanding issues.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (c) would be continued to March 22, 1983 at staff request. There being no objection, it was so ordered.

NEW BUSINESS (continued)

- (d) Resolution No. 56-83, requests authorization of the extension of the designation by the Nihonmachi Community Development Corporation (NCDC) of the Japanese Cultural and Community Center of Northern California (JCCNC) as Developer/Allocatee of the parcel located at 1840-66 Sutter Street within the Nihonmachi Area in the Western Addition A-2 Project. The extension of the designation has been requested until February 29, 1984.

Mr. Hamilton reported on item (d) as follows. The 1968 Master Agreement between the Agency and NCDC gave them exclusive right to revitalize this area and requires that the NCDC provide, without charge, land for development of a community facility. In fulfillment of this requirement the NCDC has allocated the subject parcel to the JCCNC who proposes to construct a two-story building containing a gymnasium and a multi-purpose room with complete kitchen facilities on the first floor and meeting rooms, offices and classrooms on the second floor. The estimated construction cost is \$3 million. On May 4, 1982 the Commission approved the designation of JCCNC until March 1, 1983. The Status Report recently provided by the JCCNC indicates that its fund raising drive has had a late start but is now gaining momentum. Staff recommends that the NCDC accept a revised sales price no later than November 20, 1983; that the JCCNC provide a further status report of its fund raising efforts no later than December 14, 1983; and that NCDC determine how it will provide the land price no later than February 1, 1984.

Mr. David Akagawa, JCCNC, urged Commission approval of this extension.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-83 BE ADOPTED.

- (e) Resolution No. 57-83, requests authorization to enter into Exclusive Negotiations until June 1, 1983 with The Fillmore Group, Inc. for the development of the block bounded by Webster, Fillmore, Eddy and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. As background for those Commissioners more recent to the Commission, a number of planning studies were done in the Western Addition A-2 for the purpose of providing facilities and activities that were believed important and necessary in order to recreate and revitalize that area as an attractive community with all of the services and recreational and entertainment opportunities that once existed there. Early plans anticipated a single development plan being done as an integrated development by a master developer, and in fact the area was offered that way. Two major efforts were made to achieve it in that fashion, but for a variety of reasons, most of them economic, they failed. The results of a subsequent master plan study and a consumer needs study indicated a high need for a supermarket, which is now being done by Safeway, and entertainment facilities that had once existed. The Agency has done a great job of constructing assisted housing,

NEW BUSINESS (continued)

market-rate housing, churches, and the Ella Hill Hutch Facility has provided recreational facilities. However, the entertainment component has been missing.

Under the negotiating authority granted for the Fillmore Center, staff entertained an was approach by a consortium of principles who wished to develop what was described as an entertainment center in the Art Silvers' Study in conjunction with residential condominium units. Basic criteria was discussed that would make the development acceptable. One was that the program be planned as an integrated development with housing tied to the entertainment center. This was important, as earlier studies had indicated that while a center might be feasible, it could only happen much further out in time. so, this was a way to bring back to the community, entertainment opportunities much earlier than thought possible. Another criteria was that there be a clear indication of opportunity for significant participation of minority persons, that it not be a closed shop, that there be a methodology by which area investors could take part in the proposed development. And third, an overriding concern that all of the elements in this operation, such as the jobs created, and the affirmative action applied be subject to standard requirements for the area. With those items understood, the developers at their own risk set about to do the early planning to put together such a proposal.

Before the Commission today, is that proposal, to build approximately 125 residential condominium units, a 1,500 seat dinner theater, 4 cinemas, 10,000 square feet of commercial space, a three-story structure with 645 parking spaces. The developer's architect provided a detailed conceptual design of the project, and the Agency's architectural staff has been consulted during the design and has identified those design problems that come with major developments. These and other concerns will be resolved during the period of exclusive negotiations. As pointed out, the 1977 Fillmore Commercial Feasibility Study did identify a high interest for this type of development, which should contribute to the ability to pull it forward in time as a feasible development element in the Fillmore Area. Serious discussions have taken place with the developer about the extent and form of the minority/community benefit that will be achieved by participation of people within the Western Addition area in this development. These discussions will be refined and consummated in terms of an agreement during negotiations before the matter is brought back to the Commission for consideration.

The performance dates for the developer will be to submit architectural schematic plans by April 13, 1983; submit the affirmative action program by April 4, 1983; submit evidence of financing of equity capital by May 4, 1983, and conclude discussions with Agency staff and the community regarding minority/community participation by May 4, 1983. The developer has assembled an impressive development team, which has already demonstrated a high level of skills. They are aware of the dedication required and

NEW BUSINESS (continued)

concentrated effort that will be necessary to bring this program to fruition. Staff believes that their expenditures, all of which have been without benefit of any official recognition to date, now warrant official recognition in the form of a designation.

Mr. Pleasant Carson, Acting Executive Director; Mr. Joseph Ravarra, and Mr. U. J. Montgomery all of WAPAC, requested that this item be held until the concerns they have are resolved and indicated that the proposed developer had refused to discuss the project with WAPAC.

Mr. Arnold Townsend, Fillmore Group, Inc., indicated they had never refused to discuss the project with WAPAC and never would.

The following persons came forward to speak in favor of the development: Ms. Julie Anderson, Delinquency Prevention Commission; Ms. Naomi Gray, Naomi Gray Associates; Cary Rudman, URSA Institute; Lavolia Baker, L. Baker Insurance; Mr. James Bealum, Western Addition Drywall; Ms. Mary Jane Staymates, WANA; Ms. Sharon Meadows, National Center for Youth Law; Ms. Amos Herd, WAPAC; Ms. Essie Collins, WAPAC; Ms. Linda Blagburn, resident; Ms. Mary Rogers, WAPAC; Ms. Greer Smith, Attorney, Neighborhood Legal Assistance and member of KPOO Board; Terry Collins, KPOO; Tim Dupre, Booker T. Washington Center; Nan Park, interested citizen.

Mr. Hamilton indicated he had listened with a good deal of interest to the comments made and could not help but relive the history of every major development proposal which has been made in the Fillmore Center. As Area Director, he remembered waiting a solid year once for the community to make a decision between developers for a major component or element in the Fillmore Center. To every member of the community, members of WAPAC, interested parties and this Commission, if it were not for the fact that the Agency has been very strongly and solidly committed to seeing this area developed in such a way that it meets the needs of the community and that it provide a real opportunity for investment and equity involvement in major projects for people of the community, the land in the Western Addition would have been sold a long time ago. The Agency would not have taken the flack for years of having it stand vacant, because on more than one occasion, people have walked in and indicated they would pay whatever was asked for the land if the Agency would let them do what they wanted. The Agency's commitment is a matter of record. Again, it is of great concern that there is a divided community for presentations notwithstanding. It is clear that even the WAPAC Board is divided on this issue. Mr. Hamilton noted that Mr. Montgomery raised the issue of secret negotiations, and that he personally resented that particularly with respect to a project that has been subjected to at least two thorough conceptual briefings within the community.

There has been expressions of concern about the housing, as brought to the Agency by Mr. Wade Woods of WAPAC, who is not present tonight, who was the principle spokesperson in requesting a

NEW BUSINESS (continued)

moratorium on condominium development. There were some projects specifically exempted from that and this was one of them.

Regarding the question of minority involvement, this a question staff is very much concerned in fact it will happen. The very first thing that was said to Mr. Lirot was that he was going to have to demonstrate clearly the evidence of that participation in methodology and, in fact, he proceeded at risk with that clear understanding. If that objective is not met, then the project or the LDA will not be recommended, but staff is confident that it will be. It is believed that the things which have been done in terms of planning meet the objectives of the master plan which was developed and approved in the community. It was never expected that this parcel would be developed as assisted housing, and many planners believe the Agency has already overbuilt in assisted housing, in the Western Addition. The Agency believes that by having the proper mix of housing, long term stability will be assured and that means market-rate housing. The Agency is looking to achieving significant elements in the Fillmore Center and the granting of exclusive negotiating rights is recommended.

Mr. King indicated he would like to move this item. He has lived in this community longer than most people and had seen the vacancy for the last 15 to 16 years, and it is now time to get the community moving again. He had been on the first board who triad to get the Fillmore Center developed for two years and nothing ever happened. This is the first opportunity that he had seen that could get the center developed.

Mr. Newman inquired if Mr. Lirot felt confident this development could proceed and Mr. Lirot responded affirmatively.

Presidet Lee indicated that this was a very large project and was concerned the developers had a consultant on design and that the construction estimates were not underscoped or that the developers are underfinanced and Mr. Lirot indicated he had been in the construction business for 40 years from the ground up and that he has a construction firm on board and felt the project would be successful.

Ms. Berk indicated she had been on the Commission for five years and felt happy that here is now a development that sounds very hopeful.

President Lee inquired if the Commission would be reviewing the final drawings at a later date and Mr. Hamilton indicated affirmatively, before action is taken on the LDA.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-83 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 58-83, requests adopting an Agency Policy regarding non-discrimination based upon sexual orientation.

Mr. Hamilton reported on item (f) as follows. At the Agency meeting of May 18, 1982 the Commission approved an Owner Participation Agreement and a Land Disposition Agreement with the Glad Tidings Temple in the Western Addition A-2. At that time several persons charged Glad Tidings with practicing discrimination based upon sexual orientation. Subsequent to that action, several articles appeared in newspapers serving the homosexual community regarding the issues that had been raised at the May 18th meeting. On October 12, 1982, an ordinance was passed by the Board of Supervisors amending Chapter 24.6 of the San Francisco Administrative Code whereby the Board recommended the Agency add sexual orientation to the categories protected from discrimination in its contract, deeds and leases and that adequate provisions precluding such discrimination be included in every redevelopment plan. In January of this year, Senator Milton Marks after a meeting with Mr. Hamilton and Mr. Paul Hardman, and other principles introduced legislation with the Agency's concurrence and support in the State Senate that would add sexual orientation to categories protected from discrimination in sections of the California Health and Safety Code applicable to redevelopment agencies. However, the State legislature has not yet acted on the proposed amendment. On January 28, 1983 Mayor Feinstein requested the Commission consider adopting a policy prohibiting discrimination based on sexual orientation. In light of that history and these occurrences, and the fact that ideologically and philosophically the Agency has never been opposed to having such policy adopted, but was concerned as to how specific resolutions were applied. Staff believes it important that the Agency implement a policy requiring inclusion of a covenant prohibiting discrimination based on sexual orientation in all deeds, leases and applicable contracts entered into by the Agency.

Mr. Paul Hardman, The Voice, indicated he was very glad to see the Commission approve this language and hoped they agreed that discrimination against any one is an insidious kind of thing that should not be tolerated at any level, against any person, for any reason.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-83 BE ADOPTED.

- (g) Resolution No. 59-83, requests authorization to reproduce the 1983 edition of the San Francisco Redevelopment -- (FACT BOOK).

Mr. Hamilton reported on item (g) as follows. It is requested item 9(g) be continued until further staff evaluation.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (g) would be continued at request of staff. There being no objection, it was so ordered.

Minutes of a Regular Meeting, March 1, 1983

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned in memory of Mrs. Bertha Freeman. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

Patsy R. Oswald
Secretary

APPROVED

April 5, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF MARCH 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of March, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnelles

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present was Ocie Mae Rogers, Joint Housing Committee.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Today, the Agency refinanced \$11,100,000 of YBC Urban Renewal Notes at an interest rate of 4.21%. This replaces the previous notes which were at 4.37%. The successful bidder was Crocker National Bank.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the consideration of a Land Disposition Agreement for rehabilitation of Parcel 728-L, 1339-41 Pierce Street, Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 60-83, requests authorization of the Agreement for Disposition of Land and Improvements for private rehabilitation with Benjamin Smith, Jr. and Beverly A. Smith, for Parcel 728-L, 1339-41 Pierce Street.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (a) will be continued for three weeks until March 29 at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 61-83, requests authorization of a First Amendatory Agreement, which changes the performance schedule with Sumiko Jones, for Parcel 687-C, 1695-97 Sutter Street, Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. It is requested that no action be taken on this item. Staff received a letter from the developer Mrs. Jones indicating a request to withdraw from purchasing the property at 1695-97 Sutter Street, even though staff has proceeded with providing an Amendment to the Agreement to extend the Performance Schedule and proceed with evaluating the permitted density variance the developer had requested earlier to allow the commercial space to remain. The Developer has determined that even if the density were allowed, the total floor area in the existing commercial space would not generate sufficient income to cover the total costs to complete the project. It is also requested that the Agency return the developer's deposit of \$1,500.

President Lee inquired if the \$1,500 deposit was in cash or a letter of credit and Ms. Judy Eng, Development Specialist, Rehabilitation Division, responded it was in the form of a cashier's check.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that no action would be taken on Item (b) at staff request. There being no objection, it was so ordered.

- (c) and (d) Resolution No. 62-83 and 63-83, requests authorization for staff to conduct negotiations which will lead to the development of Commercial Parcel "D" bounded by Third, Evans, Newhall and Galvez in the India Basin Industrial Park and Commercial Parcel EE-1 on Whitney Young Circle in Hunters Point.

Mr. Hamilton reported on items (c) and (d) as follows. In August 1982 the Commission approved the Offering of Parcel D for commercial development in the India Basin Industrial Park; extensive advertising occurred, but only four Developer's Packets were purchased and none of the four submitted an official proposal. Staff initiated discussions with the prospective developers and the general view as to why they didn't follow through with a proposal focused on the lack of interest from prospective tenants, the unavailability of investment capital, the land price, and the location of the project. Parcel EE-1 is the only site in the Hunters Point Redevelopment Project designated for commercial development and will reasonably accommodate a small grocery store and service oriented businesses. It is also reasonable to assume that efforts to market EE-1 through a public offering will yield similar results as experienced with Parcel D. Staff believes a

NEW BUSINESS (continued)

higher probability of success can be attained through direct solicitation and discussion with developers who are likely to be receptive to the Agency's development program. The availability of Parcel D and Parcel EE-1 will be advertised in local newspapers and by mass mailing a letter to those on the Agency's mailing list.

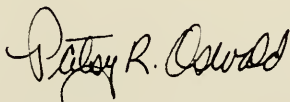
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on personnel and litigation. The meeting adjourned at 4:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

March 15, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF MARCH 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of March, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Curtis Eisenberger, Dr. David J. Soffa, Dr. Frank Passintino, ESQ & Med Group; Orville Luster, Bill Talmage, Mid-Town Park; Charles Sprincin, Suttermore; Mary Helen Rogers, Pleasant Carson, Jr., Edward Powell, Western Addition Project Area Committee (WAPAC); Ken Kinnard, P & K Trucking; John Igoe, Taysan-Lincoln; and Mike Marston, Keyser Marston.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of February 22, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of March 8, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A ground breaking was held on Wednesday, March 9 for El Bethel Terrace, a 101 unit senior citizen housing in the Western Addition A-2. The Mayor, Commissioner King and Gene Suttle the A-2 Area Director were in attendance. The projected completion date is June 1984.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Tomorrow, March 16, Management Staff will be meeting out-of-the City to discuss the Agency's program, goals, objectives, performance and budget considerations. It is believed that this will be a very productive meeting. The office will be covered during this time and staff in attendance can be reached by phone.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an Amendment to the Agreement for Disposition of Land for Parcel 3735-D; Yerba Buena Center.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 64-83, requests authorization of a First Amendatory Agreement with the Parking Authority for the parcel located at the northeast corner of Third and Clementina Streets in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. At the time the Agency and the Parking Authority entered into an LDA for this parcel, the Agency retained the air rights to accommodate residential uses above the garage. In December of last year, when Forest City Dillon, the housing developer, would not cover the cost differential for the garage, the construction contract was awarded for a garage without residential above. The garage construction has now reached a point where it is no longer possible to use the air rights and there is no reason to retain their ownership. This Amendatory will revise the legal description to remove the air rights and references to residential uses. It will convey those air rights at no cost to the Parking Authority.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-83 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Amendatory Agreement for Parcel 683-D(2); Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 65-83, requests authorization of a Fourth Amendatory Agreement to the LDA with Roosevelt and Altheda Carrier for 2075-89 Sutter Street in the Western Addition A-2. This agreement will change the Site Plan and the Site Legal Description.

Mr. Hamilton reported on item (b) as follows. The LDA was approved October 1981 for the purchase and rehabilitation of this three-story

NEW BUSINESS (continued)

commercial/office building. Requirements of the LDA have been completed and the developer is prepared to proceed with the final steps for conveyance of the site. The LDA provides for conveyance of an egress easement over a portion of Agency owned property; however, the revised plans indicate the egress easement is no longer required as additional fire escapes are provided, which meet the City's requirement of a secondary means of egress. The new and existing windows in the building are required by the City's code for providing sufficient light and ventilation in each habitable space; therefore to allow the use of these windows, it is necessary for the Agency to convey a light and air easement over a portion of the adjacent property for these windows located on the south side of the building.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-83 BE ADOPTED.

- (c) Resolution No. 66-83, requests authorization of a Second Amendment to the Personal Services Contract with Keyser/Marston Associates, Inc., (KMA) in an amount not to exceed \$55,000 for the Yerba Buena Center Project.

Mr. Hamilton reported on item (c) as follows. KMA has assisted the Agency in all aspects of the marketing and developer selection for the mixed-used development in YBC and they have participated as a member of the developer selection group, providing financial analysis through the entire selection and negotiation process. In addition, they assisted staff in preparing a land valuation and economic model for the Central Blocks. They are part of the "core" negotiating team and are directly involved in the entire process. The contract as amended was intended to provide consulting services through February, with the intent to analyze the status of the negotiations then. Our analysis indicates we will need this additional expenditure to carry us through to July, when the anticipated Developer Disposition Agreements are concluded. Staff believes KMA's valuable services essential because of their significant role in the O & Y negotiations.

Ms. Mary Rogers, WAPAC, inquired what the total amount of the Keyser-Marston contract is and Mr. Hamilton indicated he would get those figures for her. Ms. Rogers inquired about the firm's minority participation and Mr. Hamilton responded that there has been none and he expected no change, as the Agency is contracting, not with a firm, but with a specific individual. Ms. Rogers inquired about the size of KMA's staff and how many are minorities and Mr. Mike Marston responded there is 18 staff of which one-third are minorities.

Ms. Blomquist inquired, though she believed Mr. Marston essential,

NEW BUSINESS (continued)

if staff could perform some of the tasks, such as Task No. 4, Real Estate Business Terms, Documentation of Transaction and Presentation, to help reduce some of the consultants fees. Mr. Hamilton responded that staff looks very carefully at how these services are utilized and the tasks, and staff does not have experience in the economics of mixed-use development. Ultimately, this firm will issue a financial report, which will document the business terms that will attest to the credibility of the deal made in the interest of the City, and is extremely important to the certification of the deal made in YBC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-83 BE ADOPTED.

- (d) Resolution No. 67-83, requests authorization of a Third Amendatory Agreement extending performance dates for approximately 90 days to the Land Disposition Agreement with Suttermore Associates for the Parcels 678-C(1), (2) (3), located on the north side of Sutter Street between Fillmore and Steiner Streets in Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. An LDA was authorized in October 1981 for development of 68 one- and two-bedroom condominiums and 15,000 square feet of commercial/office space. The developer, who is eligible for SB-99 tax-exempt bond financing, has retained the banking firm of A.G. Edwards and Sons, Inc. to go forward with the bond issue for permanent financing. The developer however has not been successful in obtaining construction financing; but is now negotiating a tentative agreement to joint venture with Charles Sprincin, Inc., which has extensive experience in financing and constructing single family housing. The Sprincin Company will be a financial partner in the residential portion of the development and instrumental in securing a construction loan for that portion. In addition, this firm will be responsible for construction management of the commercial office space and residential uses, while Suttermore will be the sole developers of the commercial/office building. Suttermore will complete its negotiations with the Sprincin Company and formally request approval of the newly formed joint venture within the 90-day extension period. The joint venture could then finalize the format for the bond issue with A.G. Edwards and Agency Bond Counsel. The performance dates would be revised as follows: Submission of Evidence of Financing from March 15 to June 1, 1983; and Conveyance of Site/Close of Escrow from April 12 to July 13, 1983. On April 13, 1983 the price will expire for the subject parcels and conveyance is not expected to occur on or before that date. Staff will begin review of all market data to arrive at a fair land value. The developer has been advised and has accepted this fact. Once the new price has been determined, staff will return with a further Amendatory Agreement incorporating that price into the LDA.

President Lee inquired about the percentage of the joint venture and Mr. Charles Sprincin, Sprincin, Inc., responded that it will be shared equally between his firm and the existing partners.

NEW BUSINESS (continued)

President Lee inquired if the lenders who had been contacted were local and Mr. Sprincin responded affirmatively.

Mr. Newman inquired about the chances of success of the project and Mr. Sprincin indicated he would not enter into a venture that he believed would not be successful.

Ms. Blomquist inquired if there is any criteria for which developers and projects qualify for SB-99 financing. Mr. Hamilton responded that the only criteria is the question of meeting the requirements under legislation for having made application before the Sunset provisions became effective, but the Agency made no exclusionary decisions with respect to those who could participate. Those who came forward and expressed an interest and were part of the inducement resolutions are recorded public intent and that meet the test of the Ulman Legislation were those that were pursued. Ms. Blomquist indicated to the Commissioners that they should be aware that the City is watching the type of tax-exempt bond financing the Agency is doing and the Agency should be careful about what projects fall under that financing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-83 BE ADOPTED.

- (e) Resolution No. 68-83, requests authorization of an Owner Participation Agreement with Lloyd and Constance Latch and Kenneth and Eva So for the property located at 1233-37 Van Ness Avenue in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. The owners propose to participate in the Agency's Rehabilitation Program and rehabilitate this two-story commercial structure with mezzanine in accordance with the A-2 Plan. Their plans have been approved by the Rehabilitation staff for the interior and additional plans for the exterior facade treatment and identifying sign/graphics have been submitted and are being reviewed by staff to ensure environmental design continuity along Van Ness Avenue. After completion, Latch and So Chiropractic Offices will occupy the entire mezzanine and second floor for office and clinic facilities, in addition to a portion of the ground floor for an informational bureau for family health care and chiropractic treatment. The remaining area of the commercial ground floor will be available for lease. All rehabilitation improvements for this building will be privately financed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-83 BE ADOPTED.

NEW BUSINESS (continued)

- (f) (g) and (h) Resolution No. 69-83, 70-83, and 71-83, requests authorization of three Financing Agreements one each with Taysan-Lincoln Properties in Yerba Buena Center; and the Med Group and Med Group II in the Western Addition A-2.

Mr. Hamilton reported on items (f), (g) and (h) as follows. By these agreements, each developer agrees to reimburse administrative expenses incurred by the Agency in preparing to issue bonds for these developments should the bonds not be issued. All expectations are that they will be issued whereby the Agency's administrative expenses will be paid out of the bond issue. The Agency has previously adopted inducement resolutions by which it has agreed to use its best efforts to issue bonds for these developments. The Taysan-Lincoln Properties development is for rental housing and is expected to require bonds of \$60,000,000. The developer has agreed to provide surety for reimbursement in the amount of \$125,000. The Med Group and Med Group II developments in two phases of a medical office complex near Mt. Zion Hospital are expected to require bonds of \$10,000,000 and \$8,000,000. Each developer has agreed to provide surety for reimbursements of \$50,000 each. All three agreements are otherwise in the usual form adopted in connection with previous developments.

Ms. Mary Rogers, WAPAC, requested an explanation of SB-99 bonds and Mr. David Oster, Assistant Agency Counsel, gave an explanation of what they are and how they work. Ms. Rogers requested a meeting of small developers be set up by the Agency to explain the process to them and Mr. Hamilton indicated though Mr. Gene Suttle, Area Director, Western Addition A-2, has stated this has already been done, he would suggest additional meetings be arranged.

Mr. Pleasant Carson, WAPAC, indicated they could not take a position on items (g) and (h) as they have never been before the WAPAC board.

Mr. Orville Luster, Mid-Town Park, Inc., indicated they had no objection to this development, however, they would like to meet with the developers.

Dr. Frank Passintino, Med Group, indicated they will meet with all parties involved.

Ms. Blomquist indicated that it seems Congress is tightening the requirements for SB-99, and she could not understand the criteria that the Agency is using for Med Group and Med Group II, because this is tax-exempt financing for doctor's offices and to her Congress did not have that intent. Mr. Oster responded that Congress has not acted to change the requirements for non-residential revenue bonds, what would be called Industrial Development Bonds, which is what the Med Group will be using in this case. Ms. Blomquist inquired why does this fall under Industrial Development Bonds and Mr. Oster indicated that since it is not housing and the proceeds of the bonds are considered to be used in someones trade or business, they are Industrial Development Bonds.

NEW BUSINESS (continued)

Mr. Newman inquired under what circumstances can other medical groups use Industrial Development Bonds to finance their building, and Mr. Oster indicated that under SB-99, revenue bonds could be issued as long as the commercial facility funded was deemed to be an integral part of a residential neighborhood under a State Law requirement. Under Federal Tax law the most significant requirement is that the bond issue has to come within a small issue exemption, where the capital expenditures including the bond issue of the development entities cannot exceed more than \$10 million within the last three years and three years into the future. In summary, they have to be commercial facilities related to a residential neighborhood relatively small in size with relatively small bond proceeds and they have to be in a Redevelopment Project Area.

Mr. Newman inquired if there is a requirement that the medical groups make their services available to people in the residential community and Mr. Oster indicated there is no specific requirement that there be a contract or formal agreement, but the nature of the facility has to be such that it is generally designed to serve a residential neighborhood. Mr. Newman inquired if the Med Group's practice is oriented to people in the neighborhood.

Dr. Frank Passintino, Med Group, responded to the Commission by informing what their group does and who it serves. The average donation of time by the group to free clinics is six days per month. The percentage of minorities on staff in their group is 40.2 percent.

Ms. Blomquist inquired if this tax-exempt bonding goes into the bonding capacity of the City and Mr. Oster indicated that it has no affect on the City issuance of bonds. Ms. Blomquist inquired if the Redevelopment Agency's Bonds outstanding are separate from the City's and Mr. Oster indicated affirmatively. Mr. Curtis Eisenberger, Med Group, indicated that if the project fails it is the lender who takes the risk and not the City or the Agency, they carry no fiscal responsibility in this matter.

Mr. Newman indicated in his opinion Med Group is using the shelter of the Federal Tax Laws in order to develop a profit making venture. He has not heard any support from the community and unfortunately they did not take a position on this but the only reason, in his own moral accord, that he can support this is because the Med Group is doing something for the community.

Dr. David Soffa, Med Group, indicated the physicians have serviced the community very well, and have taken the lion's share of Medi-Cal patients. Dr. Soffa indicated briefly the reasons for the Med Group putting this development together and believed it would be neighborhood serving and would enhance the looks of the neighborhood.

NEW BUSINESS (continued)

Ms. Blomquist indicated she had no sympathy for doctors because if anyone is going to be able to survive in these financially troubled times, doctors certainly can and this is a very inappropriate use of tax-exempt financing. Ms. Blomquist indicated she had heard that Mt. Zion has lost some type of accreditation to helping poor people and requested an explanation. Dr. Soffa responded that the State has the power to negotiate room rates for Medi-Cal patients and in some categories Mt. Zion does not qualify and this means that patients that live in the Western Addition have to go to other hospitals to get their care. However, the Mt. Zion clinics remain open in handling Medi-Cal patients that live in the Western Addition and it does not effect the outpatient facilities and is probably even more of a reason to secure these physicians in this area.

Ms. Berk inquired if there is a total amount of bonding that can be used under the mortgage revenue bond provisions and Mr. Oster responded that there is a limit, but this development would not count towards it.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, AND SECONDED BY MR. MARDIKIAN THAT RESOLUTION NO. 70-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman
Ms. Berk
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN AND SECONDED BY MR. KING THAT RESOLUTION NO. 71-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman
Ms. Berk
Mr. Lee

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (i) Resolution No. 72-83, requests authorization to pay the Agency's annual dues for membership in the National Association of Housing and Redevelopment Officials (NAHRO) in an amount not to exceed \$1,400.

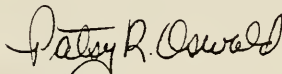
Mr. Hamilton reported on item (i) as follows. NAHRO has been the most effective influence available in the formulation of national policy, procedure, and legislation and has been very helpful in obtaining HUD rulings and waivers beneficial to the Agency. As indicated in reports on the national program and budget outlook for 1983 and 1984, NAHRO is the one organization which is carrying on an effective effort to maintain the housing and community development programs at a viable level. The formula used for calculating the Agency's dues is based on the population size of the city in which the Agency has jurisdiction, and HUD approves payment of the dues from Federal funds.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on a litigation matter. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

April 19, 1983

235
4
/22/83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF MARCH 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of March 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Melvin D. Lee, President
- Leroy King, Vice President
- Charlotte Berk
- Dian Blomquist
- Haig G. Mardikian
- Walter S. Newman

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and the following was absent:

- H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mort Schaffran, representing Mr. and Mrs. Ashizawa; Ocie Mae Rogers, Joint Housing Committee (JHC); John H. Hom, Shapiro, Okino, Hom & Associates; and Hayden Lee, Asian, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session meeting of March 8, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session meeting of March 15, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan reported to the Commissioners on the following matter:

- (a) Mr. Hamilton is out ill today with a cold, but is expected back in the office by Thursday.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the consideration of a Land Disposition Agreement for Parcel AA-2; Hunters Point.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 55-83, authorizing a Land Disposition Agreement for Parcel AA-2 with BARCO Developers located on the north side of Keith Street between Fairfax and Hudson Avenues; Hunters Point.

Mr. Kernan reported on item (a) as follows. This Public Hearing and action was continued from the meeting of March 1, 1983. Staff is recommending a further continuance until April 12, 1983 to provide ample opportunity to resolve the outstanding issues relating to the project's feasibility and apparent errors in cost estimations which would make the proposed selling prices unattainable.

Ms. Blomquist requested to be provided with the composition of BARCO Developers before the consideration of this item on April 12, and Mr. Kernan responded that that information would be provided.

President Lee inquired who would do the estimates for this project, and Mr. James Wilson, Area Director, Hunters Point, indicated the developer, Mr. Dick Smith, who is also a contractor. The Agency's Architectural and Engineering staff would check those estimates to assure accuracy.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (a) would be continued to April 12, 1983 at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 73-83, requests authorization of an Addendum to the Agreement contemplating a Negotiated Disposition of Land with the Nihonmachi Community Development Corporation (NCDC) in connection with the development by Masao Ashizawa and Agnes Ashizawa for the parcel located at the southwest corner of Bush and Buchanan Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. The Ashizawas were originally awarded development rights to this parcel in 1970. At the time the Ashizawas were scheduled to begin a market-rate housing development, a community organization known as the Committee Against Nihonmachi Evictions (CANE) emerged to block such action. In July 1977, to assist in settling this matter, the Ashizawas agreed to construct the maximum number of new family housing units that the site would accommodate, financed under the then existing Section 8 Housing Assistance Payments Program. Staff believes the Ashizawas have made a good faith, but unsuccessful effort, to obtain Section 8 financing to develop the site. The Ashizawas, with the concurrence

NEW BUSINESS (continued)

of NCDC and WAPAC review, now request that they be permitted to develop a four story, 18 unit building containing market rate condominiums for sale, utilizing to a great extent working drawings already completed. The Ashizawas are exploring all sources of financing including the City tax-exempt bond issue, but, in the interest of time, expect to finance the development conventionally. If conventionally financed, a profit limitation will be imposed and any amounts paid to the Agency will be used to assist in affordable housing developments. Because the project now proposed is for market rate condominiums for sale, the land has been appraised at market rate and a sales price of \$145,000 is recommended. The Addendum has the following significant performance dates: Submission of Evidence of Financing, February 22, 1984; Conveyance of the Site, March 21, 1984 with Commencement of Construction 30 days after conveyance.

President Lee inquired when this property was appraised, and Mr. Donald Moitoza, Real Estate Specialist, responded January of this year.

Ms. Blomquist indicated she was pleased to see this clarification of the profit limitation, as outlined in the memo, and was certain it will help in similar situations in the future.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-83 BE ADOPTED.

- (b) Resolution No. 74-83, requests authorization of a contract for engineering services with Shapiro, Okino, Hom and Associates in the amount of \$40,000 for the Western Addition A-2, Rincon Point-South Beach, and Yerba Buena Center Projects.

Mr. Kernan reported on item (b) as follows. In October 1981 the Commission approved a \$35,000 contract for structural and related engineering services with this firm for buildings scheduled for rehabilitation. These funds are now exhausted, and staff is recommending entering into a new contract with Shapiro, Okino, Hom and Associates. They are familiar with the Agency's rehabilitation program, have extensive knowledge of the application of building codes and have proven their expertise in providing recommendations and drawings for all types of structural problems. The requested contract amount will be allocated over the next 12 to 14 months for the three project areas. \$20,000 for Western Addition A-2; \$10,000 for Yerba Buena Center; and \$10,000 for Rincon Point-South Beach. Staff finds the firm's affirmative action program satisfactory.

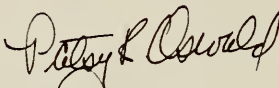
Mr. Kernan informed the Commission that the Agency has had previous contracts with this firm totaling \$185,000 and has been very satisfied with their work.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a closed session on litigation matters. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", written in a cursive style.

Patsy R. Oswald
Secretary

APPROVED

March 29, 1983

35
4
9/83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF MARCH 1983

JUN 9 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of March, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnette
Dian Blomquist
Haig Mardikian
Walter S. Newman

and the following was absent:

Charlotte Berk

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Charles T. Sweeny, Mt. Zion Hospital and Medical Center; M. J. Staymates, Western Addition Neighborhood Association; Ocia Mae Rogers, Allen Jordan, Dewey Brown, Joint Housing Committee; Mary Helen Rogers, Pleasant P. Carson, Jr., Western Addition Project Area Committee (WAPAC); Curtis Eisenberger, ESQ Development; Frank Passantino, Med-Group; and Preston Lee and Dale Carlson, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of March 22, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Yesterday the Board of Supervisors passed by 8-3 the Med Group Bonds.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement for rehabilitation of Parcel 728-L (1339-41 Pierce Street); Western Addition A-2.

Resolution No. 60-83, requests authorizing the Agreement for Disposition of Land and Improvements with Benjamin Smith, Jr. and Beverly A. Smith, for Parcel 728-L; approving the disposition value and ratifying the publication of Notice of Public Hearing; Western Addition A.2.

President Lee opened the public hearing to hear all persons interest in this matter.

Mr. Hamilton reported on item (a) as follows. This Public Hearing and action was originally scheduled for the meeting of March 8, but was continued to allow a resolution of rehabilitation standards and costs. Those issues have been resolved and the Smiths are ready to proceed. Mr. Smith, a residential certificate holder, plans to occupy this two flat Victorian after it is rehabilitated. The Schedule of Performance will be to submit Evidence of Financing by August 30, 1983 and Close of Escrow by October 13, 1983.

WAPAC has reviewed the developers' proposal and supports the acquisition and rehabilitation by the Smiths.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-83 BE ADOPTED.

NEW BUSINESS

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (a) would be held after Items (b) and (c) at staff request. There being no objection it was so ordered.

- (b) and (c) Resolution No. 76-83 and 77-83, requests authorization to enter into Owner Participation Agreements with Med Group and Med Group II to improve Parcel 1078, lots 14 and 30 located on the northeast corner of Geary Boulevard and Divisadero Street in the Western Addition A-1.

Mr. Hamilton reported on items (b) and (c) as follows. Inducement resolutions were authorized for issuance of tax free revenue bonds on September 28, 1982. The Board of Supervisors at their meeting yesterday authorized issuance of the bonds in an amount not to exceed \$22 million to finance these improvements. The developers no longer intend to utilize the Agency's tax-exempt financing for the

NEW BUSINESS (continued)

2299 Post Street building, but will proceed with that part of the project with conventional financing. Thus, the amount of Agency issued bonds needed has been reduced by \$8,400,000. In addition, they reported that problems which arose only yesterday have resulted in a need to restructure the \$9,000,000 bond issue for the Med Group II Project. Consequently, the Agency has been requested to continue that item until those problems are resolved. On March 15, 1983 the Developers entered into Financing Agreements by which they agreed to pay costs incurred by the Agency in connection with the issuance of these bonds should they not be issued. The Developers have agreed to the utilization of Minority Business Enterprise and Woman Business Enterprise in the design, construction and occupancy stages of the proposed development and have agreed to establish a goal that 50% of the work force for the improvements be residents of the Western Addition area on a craft by craft basis. The first phases of the development which are to renovate the R&K building and 2299 Post Street will proceed immediately. When the program and architectural design of Phase III is developed it will be submitted for review and approval.

Ms. Mary Jane Staymates, Western Addition Neighborhood Association (WANA), indicated opposition to using tax-free bonds for this development and read a letter from the Beideman Area Neighborhood Group (BANG) who had the same opinion.

Mr. Dale Carlson questioned the appropriateness of using tax free bonds for this development.

Ms. Blomquist inquired if the Agency has to abide by what the Board of Supervisors approved and Mr. Hamilton indicated that the authority granted by the Board was, in fact, conditioned on the amendment that the Board made to the resolution.

Mr. Curtis Eisenberger, the Med Group's Director of Development, indicated that in regard to asking for a continuance of the second bond issue for \$9,000,000, Med Group was informed there was a problem with the lender, as the lender did not have time to go through the paper work and now time is needed to restructure the bond issue.

Ms. Blomquist indicated that it seemed like it was flying in the face of the Board of Supervisors to have them approve \$22 Million worth of bonds and then this project only use \$13 Million. The developer could come back in a short time and propose something totally different than what the Board had contemplated at the time. Mr. Hamilton responded that the monies can only be used in connection with specific authorization of the Board of Supervisors that designates the precise principals and the properties that are involved. As noted in the Walker Amendment, the language is an

NEW BUSINESS (continued)

aggregate principal amount not to exceed \$22 Million. Ms. Blomquist indicated the Agency then had no idea it would be this much less and Mr. Hamilton responded affirmatively.

Mr. Arnelle indicated the use of tax-free, low-interest bonds was troublesome and requested the benefit package to the community and to the public be explained in terms of approximate dollars and jobs. Mr. Eisenberger indicated that in terms of dollars, \$180,000 in design to a minority business enterprise, \$2.2 million in construction cost; 30% of that amount is going to MBE's. In terms of number of jobs, on the entire project between 20 and 30. Plus, 1% of the loan amount will be paid to the Agency. The public benefit is an improvement of the immediate area, because the building has been abandoned for the last two years; and also, in the Owner Participation Agreement, the physicians have agreed to continue to receive Medi-cal and Medicare patients even though the physicians will receive less in insurance than with private care patients.

Mr. Arnelle inquired if Mr. Hamilton shared Mr. Eisenberger's view of the community and public benefits. Mr. Hamilton indicated as a matter of history, when this proposal first came before the Commission on September 28 of last year as an Inducement Resolution, all of the issues of community and public benefit were opened and explored. The reason they are brought forth was the intent in the law for the use of tax-exempt financing. The bonds, as they are generated by the issue, are privately invested funds, however to the extent, that there is a tax exemption, money is lost to the Treasury and is in fact a subsidy of Federal funds.

Mr. Arnelle inquired if the investment of the investors is \$10 million that is a tax exempt investment as far as the investors are concerned which otherwise would be a taxable investment and Mr. Hamilton indicated that is correct. Also, it was clearly intended and the law expressly states that commercial facilities that may benefit from Agency tax-exempt bonds include neighborhood services, such as those that are being proposed in this particular development.

Mr. Arnelle inquired then in fact there is specific language that states for the designated purposes of this particular kind of commercial use, public funds, low interest rate tax-exempt bonds may be used and Mr. Hamilton indicated that is correct. Mr. Arnelle inquired what kind of monitoring does the Agency have built into the administration and Mr. David Oster, Assistant Agency Counsel, indicated that the Walker Amendment, which essentially requires as a condition of Board approval that the doctors continue to provide Medical-Medicare and other subsidized patient treatment, has been included into the Owner Participation Agreements, with the approval of the Developers.

NEW BUSINESS (continued)

Mr. Arnelle inquired if that is enforceable in perpetuity and Mr. Oster indicated affirmatively in the sense that the precise language is that these owners covenant that all leases which provide for occupancy by physicians or other medical practitioners contain the provision that no patient can be refused on the grounds that he or she is covered by Medi-Cal.

Mr. Mardikian inquired what other developments in the Western Addition A-2 have had tax exempt financing, and Mr. Hamilton indicated all of the Agency's tax-exempt issues have been housing; this will be the first commercial development except for the Ballet Building.

Mr. Lee inquired if the 1% payback to the Agency is for administration and Mr. Oster indicated the 1% is in addition to all of the Agency's administrative expenses and it will be a direct payment of \$46,000 for the Housing Development Fund.

Mr. Newman indicated he had some of the same reservations as Mr. Arnelle, but in finding that the neighborhood supported this development and it did not use up any City allocations or entitlements and that it was meant for this purpose by the Government he would agree it is in the best interest of the City.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. MARDIKIAN THAT RESOLUTION NO. 76-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist, because she opposes the use of tax free bonds to build a doctors' office building.

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. KING, AND SECONDED BY MR. NEWMAN THAT RESOLUTION NO. 77-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED AYE":

Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman
Mr. Lee

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (a) Public Hearing to hear all persons interested in the modification of parking requirements of Block 1078, Lots 14 and 30 located at the northeast corner of Geary and Divisadero Streets; Western Addition A-1.

Resolution No. 75-83, requests authorizing a modification from the Off-Street Parking Requirements of the Redevelopment Plan with Med Group and Med Group II, Block 1078, Lots 14 and 30; and ratifying the publication of Notice of Public Hearing; Western Addition A-1.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. This modification would permit the required parking to be provided by attendant parking rather than independently accessible spaces as is normally required by the A-1 Redevelopment Plan. With attendant parking, cars will be parked bumper to bumper by an attendant, thus increasing the parking lot's capacity. Phase I of the plan is minor renovation work on the 2299 Post Street Medical Building and Phase II is a complete renovation of the two story R&K building at Geary and Divisadero including addition of a new third floor. The parking requirement for the R&K building is 58 spaces which the owners wish to provide on the adjacent parking lot. This lot has a capacity of 61 independently accessible parking spaces which are committed to the 2299 Post Street Medical Building. With the required 58 spaces for the R&K building, this lot would have to accommodate 119 cars (61 + 58). However, the actual capacity of the lot with its present attendant parking operation is 121 spaces. The attendant parking configuration would only be required until completion of Phase III of their development program, the new Geary Plaza Building. The owners have indicated a willingness to provide a bond satisfactory to the Agency, which would insure construction of a parking structure able to house the required number of independently accessible spaces for the R&K renovation and 2299 Post Street if the new office building has not proceeded after three years. Additionally the owners will be required to locate interim parking for the two existing buildings during new construction on the parking lot. The Planning Department staff has indicated that in the past they have granted similar adjustments permitting attendant parking.

NEW BUSINESS (continued)

Ms. Mary Rogers, WAPAC, inquired about the parking and Mr. Ed Ong, Chief of Architecture, noted the location and described the subject temporary parking variance.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Newman indicated that, the parking lot where Phase III is to be built, exists now and is used to handle the traffic into the existing medical building in that block, which is quite heavily impacted, and Mr. Hamilton indicated it is not heavily impacted. There is plenty of room to accommodate with an attendant the total number of spaces that is needed to service both buildings when R & K is completed. Mr. Newman indicated that the bond the developers are prepared to put up is a guarantee that within three years they will build Phase III and the garage. However, if financing is impossible and they cannot go forward; what then is the compensation to the Agency, and Dr. Passantino, Med Group, indicated that the bond insures that the parking facility, sufficient to handle the necessary parking for the R & K renovation and the 2299 Post will be built regardless of whether the Phase III office building proceeds or not.

Mr. Mardikian inquired if the bond has a time limit, and Dr. Passantino indicated three years. Mr. Mardikian indicated that in effect if the motion before the Commission is passed, the Agency is granting a variance that cannot exist longer than three years, and Dr. Passantino indicated affirmatively.

President Lee inquired what is the bond amount, and Mr. Hamilton indicated \$400,000. President Lee inquired how that amount was arrived at and Dr. Passantino indicated they had a parking company come in and estimate as to the cost of putting up a parking structure to accommodate that situation. President Lee inquired what is the amount per stall and Mr. Eisenberger indicated roughly \$6,000. President Lee inquired if \$6,000 per stall is sufficient for the bond capacity and Mr. Ong indicated given what they are considering doing, which is simply building a slab over the existing parking, that is probably a realistic cost.

Mr. Newman inquired if there is a \$4.6 million dollar bond now, a \$9 million bond issue at some future date and a bonding for an additional \$400,000, why not build it now and Mr. Eisenberger indicated because they would have to tear it down to put up the third building. Mr. Newman inquired what if you don't put up the third building and Mr. Eisenberger indicated that is what the bond is for to assure that if the third building does not go up a parking structure sufficient to meet the Redevelopment Agency requirements will be erected in its place.

President Lee inquired if the \$6,000 per stall is also projected for three years from now and Mr. Ong indicated that the Med Group's cost estimate of \$6,000 per stall to construct the garage in three years is reasonable.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, THAT RESOLUTION NO. 75-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnette
Mr. King
Mr. Mardikian
Mr. Newman
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (d) and (e) Resolution 78-83 and 79-83, authorizing the issuance, sale and delivery of bond financing for the Med Group in the amount of \$4,600,000 to improve the parcel located at the northeast corner of Geary Boulevard and Divisadero Street in the Western Addition A-1. As previously noted, we are requesting a continuance of item 9 (e) for the \$9,000,000 Bond issue.

Mr. Hamilton reported on items (d) and (e) as follows. Financing for the project has been structured by the underwriting firm of Rauscher Pierce Refsnes Inc., selected by the Developer which has submitted an offer to purchase the bonds. The underwriters are a national firm of good repute considered by staff to be qualified to underwrite these bond issues. The bond documents call for the Developers to reimburse the Agency for administrative and other expenses incurred in the issuance of the bonds and the review of the projects, and to pay the Agency a fee of 1% of the aggregate principal amount of the bonds which the Agency will add to our Housing Development Fund to assist low and moderate income housing. As in previous Agency SB 99 financing, the bonds are special obligations of the Agency with their repayment limited to the revenues which we receive from the project. SB 99, which has been used primarily for financing residential construction, also authorized financing of commercial facilities, which are an integral part of a residential neighborhood. Based upon the showing made by the developer when the inducement resolution was approved, of the relationship between the proposed medical facilities and the surrounding A-1 residential neighborhood, the subject resolution will include the finding that they are an integral part of the neighborhood as required by SB 99.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING THAT RESOLUTION NO. 78-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

NEW BUSINESS (continued)

Mr. King
Mr. Mardikian
Mr. Newman
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Mr. Arnelle
Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (e) would be continued indefinitely at staff request. There being no objection, it was so ordered.

- (f) Resolution No. 80-83, requests authorization of a professional services contract with Williams/Kuebelbeck and Associates, Inc. for a detailed marketing study of the South Beach Small Boat Harbor in an amount not to exceed \$15,000 for the Rincon Point-South Beach Project.

Mr. Hamilton reported on item (f) as follows. The Small Boat Harbor project is in advanced design and staff is anticipating initiation of construction by late summer or early fall 1983. One of the key tasks that must be accomplished preliminary to the financing of this project is a detailed market study which will be used to support the sale of revenue bonds and other elements of the small boat harbor financing package. The work to be carried out will be supplemental to and not duplicative of work conducted during the Small Board Harbor Feasibility study. Williams/Kuebelbeck and Associates, Inc. have extensive experience in the financial and market analysis of small boat harbors and has provided satisfactory service as marketing and financial sub-contractors for the Small Boat Harbor Feasibility Study including all required follow-up analyses. Staff has reviewed the proposed scope of services and costs and finds them appropriate and reasonable.

Ms. Blomquist suggested that staff check with Bay Conservation Development Commission, as they extensively studied this last year and the Agency could save a lot of money if staff would use some of their work, which she was sure they would be happy to share.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-83 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution 81-83, request authorization of a rental agreement with U/C Construction Company for Parcel 677-C(1), located on the northeast corner of Sutter and Fillmore Streets in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. U/C Construction Company is the general contractor for the Amelia Gardens Project being developed by Bushmoor Associates on the parcel located on the east side of Fillmore between Bush and Sutter Streets. Immediately east is the parcel on which Bushmoor Associates will construct their second phase of Amelia Gardens Project. Bushmoor Associates wish to rent this parcel, grade it to the elevations required for their Phase II development and use it for a construction staging area during Phase I. Staff has reviewed the proposed plan and determined that should Phase II not proceed it would cost approximately \$10,000 to restore the site. The developer has agreed to post a performance bond to cover the estimated site restoration cost of \$10,000, and has also agreed to abate any dust problems and be responsible for any damage to utility lines or adjacent properties that might arise out of their operation. Tenancy will be month-to-month at a rental rate of \$545.00 per month.

Ms. Mary P. Staymates, WANA, requested that the trees and old plantings on this parcel remain until construction is ready to start on Phase II. Mr. Hamilton assured Ms. Staymates that the Agency would concede to her request, as the developer and contractor do not need to disturb the plantings at this time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-83 BE ADOPTED.

- (h) and (i) Resolution Nos. 82-83 and 83-83, request approval of the design and Owner Participation Agreement with Van Ness Associates for development of Parcel 690, lots 13, 14 and 15, bounded by Van Ness Avenue, Hemlock, Franklin and Posts Streets in the Western Addition A-2.

Mr. Hamilton reported on items (h) and (i) as follows. The developer has requested that these items be held until the meeting of April 19, 1983.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Items 9(h) and (i) would be continued to the meeting of April 19, 1983 at the developers' request. There being no objection, it was so ordered.

- (j) Resolution No. 84-83, requests approval of design of the Taysan-Lincoln Associates' development for Parcel 3750-A located on the southeast corner of Third and Folsom Streets in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (j) as follows. The developer has requested that this item be continued to the meeting of April 5, 1983.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (j) would be continued to the meeting of April 5, 1983 at the developer's request. There being no objection, it was so ordered.

- (k) Resolution No. 85-83, requests authorization of an Agreement for Legal Services with the law firm of Rogers, Vizzard & Tallett in an amount not to exceed \$25,000 for the Yerba Buena Center Project.

Mr. Hamilton reported on item (k) as follows. The Rogers, Vizzard & Tallett firm has provided excellent legal services in connection with the acquisition of properties and condemnation litigation in all of the Agency's project areas for many years. This new contract is needed to cover fees and expenses for possible eminent domain action in the Yerba Buena Center and services related thereto. The firm's rates are reasonable for such specialized legal services. A portion of this amount will be used by the Rogers' firm for outside expert services such as appraisers and will be paid by the Rogers' firm as part of their services under the contract. Because of the pressing need of the Agency to have Counsel commence its legal services at an earlier date, the contract provides that it shall be effective as of February 4, 1983. This relates to the early work necessary in connection with the next item on the agenda in preparing to cover all the alternatives and potential circumstances related to the GSA site. Staff finds their affirmative action program satisfactory.

Ms. Mary Rogers, WAPAC, inquired about the number of staff working for this firm and their affirmative action program and Mr. Benson Hattem, Affirmative Action Officer responded there are two partners and two employees, one of which is a minority and there has been no change in staff for thirteen years.

Mr. Leo Borregard, Agency General Counsel, noted that this firm is working with a Black Female Lawyer on two other contracts they have with the Agency.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-83 BE ADOPTED.

- (l) and (m) Resolution Nos. 86-83 and 87-83, request authorization to submit a bid for acquisition of the GSA property at 49 Fourth Street in Yerba Buena Center and to notify and fully disclose to any potential bidders any material fact affecting the property.

Mr. Hamilton reported on items (l) and (m) as follows. Last year the Agency submitted a bid for this property in the amount of \$17.4 million, which bid is still outstanding. GSA did not accepted the bid and elected to proceed with a public offering of the property.

NEW BUSINESS (continued)

The bids will be opened on April 26, 1983. The acquisition of the 49 Fourth Street property from GSA is essential to successfully conclude the negotiations for the development of the Central Blocks. It is recommended that the Executive Director be authorized to submit a bid on behalf of the Agency in the amount of \$17.4 million accompanied by the required 10% deposit. Agency Counsel has advised that it is the Agency's duty to advise any potential purchasers of its intentions with respect to the property, which is, in the event the Agency is the unsuccessful bidder, the Agency intends to take all appropriate steps to implement its power of eminent domain and acquire the property from any successful bidder by condemnation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 88-83, requests authorization of supporting an application to CHFA by TODCO for a deferred payment second trust deed loan for low and moderate income housing development in the Rincon Point - South Beach project.

Mr. Hamilton reported on item (a) as follows. The Agency is in receipt of a request from TODCO, the developers of assisted housing in YBC, to support their application for a deferred second mortgage from the California Housing Finance Agency (CHFA). The application relates to the development of 80 units of low-and-moderate income housing, which could occur on a portion of Development Site J in the Rincon Point-South Beach Redevelopment Area. The purpose of the action before the Commission would be to authorize staff to take the steps necessary to give the assurances, which are contained in the proposed letter of March 25 to Mr. Eugene Coleman, Treasurer of TODCO, which would in effect satisfy the requirements of the State with respect to site control. The application must be submitted by April 1, which establishes its urgency.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, identified the parcel and gave an overview of the item.

President Lee indicated that this parcel is a key development site and if TODCO receives exclusive negotiating rights for this site it will restrict the Agency's future choices. President Lee inquired what the total square footage of the site is and how much TODCO would require and Mr. Cannizzaro responded that TODCO needs about 50 percent of this 120,000 square foot site. President Lee requested Mr. Cannizzaro elaborate on the Agency's limited choices if TODCO develops on the site. Mr. Cannizzaro responded that if the Agency were to move forward with TODCO in a preferred position for low-to-moderate income housing development, the Agency would then need to put out an offering for negotiations for development of that

MATTERS NOT APPEARING ON AGENDA

site, a package that in essence would allow for development of about 180 units of housing; commercial space on the ground floor, somewhere in the range of 10 to 30,000 square feet; and space for TODCO to develop 70 to 80 low-to-moderate income housing units. The overall design would have to be constrained, which would be one of the down sides; however, the positive side is that it would go a long way towards helping achieve the Agency's low-to-moderate income housing goals.

Ms. Blomquist indicated that it would be a real plus for this Agency to develop a parcel such as this that would be mixed; commercial, market rate, and very nicely put together low-to-moderate income housing, and since the Agency has this opportunity there is no reason not to try for it.

Mr. Hamilton indicated that was essentially why staff is recommending this item as the tools available to achieve the Agency's goals for 50% low-to-moderate income housing in Rincon Point-South Beach have or are disappearing rapidly, so although it would mean limitations with respect to the marketing of that site he strongly recommended it because the Agency is not going to achieve anything approaching that mix without some concessions.

Mr. Mardikian inquired why TODCO's development is being proposed for Site J and not E, G, I, K or L and Mr. Cannizzaro responded that all the parcels except J and K are privately owned and it would be difficult for TODCO to obtain development rights for those parcels. Parcel J and K are owned by the Port and the Agency hopes to obtain the development rights and publicly offer them for development.

Mr. Newman indicated he had mixed emotions about this, as it is virtually a last minute proposal in a project the Agency is trying desperately to get off the ground. He inquired if action on this item could be delayed for a few weeks until there is more public input. Mr. Cannizzaro responded that staff had been advised of this only two weeks ago and had to analyze it and come up with an approach to the problem, one of which was that the application had to be submitted by April 1. With a great amount of reluctance, staff felt they should proceed with a recommendation.

Mr. Mardikian indicated he shared Mr. Newman's concerns and believed there is very little likelihood that this development will qualify and it is a shame that there are not projects further along for which applications could be made for this money. He believed the sentiment well placed, but that it is a mistake to play with a site like J or any other sites in this very sensitive project.

Ms. Blomquist indicated in reply to Commissioners Mardikian and Newman's concerns that the low-to-moderate income component of this project has gone through extensive public hearings by Redevelopment, the Port and Planning Committee who drew up the plan and also has gone through very extensive public hearings through the Agency and the Board of Supervisors who created the redevelopment area. So,

MATTERS NOT APPEARING ON AGENDA

everyone is aware there is a goal of 30% moderate and 20% low, at least if it is achievable, and she would hate to give up this opportunity to at least begin to achieve some of this low and moderate income housing that was planned.

Mr. King indicated he understands what Mr. Newman and Mr. Mardikian are saying, but would certainly agree with Ms. Blomquist that this Agency needs to take this opportunity to try and achieve the low and moderate income housing goals for this area.

Mr. Mardikian indicated he was not questioning the commitment to provide low-to-moderate income housing in this project, but the Commission is being asked to approve a proposal for money for which the Agency will not get, as it does not qualify.

Mr. Newman indicated he did not want Commissioner Blomquist or anybody else to think that he is opposed to low-or-moderate income housing and believes it is absolutely a requirement, but was not sure staff had done the necessary planning. In his opinion sites J and K are two of the best sites in San Francisco. They have marine views, are next to a small boat harbor and possibly they could produce substantial revenues for the project or the developer. He had serious reservations on voting for something that he had seen just 30 minutes ago and didn't know what the ramifications might be.

Mr. Hamilton indicated that he was asking for Commission authorization because having considered the options and alternatives, which staff does not see as very many, to achieve what was a very seriously stated objective at the time the project was approved. But for an amendment on the floor at the time the plan was being considered that made that an obligation the plan would not have been approved by the Board of Supervisors.

President Lee stated that as he had indicated earlier this item had certainly come as a surprise to ask the Commission to make a very significant decision on this very significant project. Regarding Mr. Newman's comment that without a public hearing, this is a very unusual procedure to follow and had some problems on voting on this issue.

Ms. Blomquist indicated that she would like to hear from Mr. John Elberling as to what he thinks his chances are in putting forward this application.

Mr. Elberling indicated that after speaking to Mr. Bill Wittie of the Mayor's Office of Housing and Community Development, apparently no other developer in the City is going to apply for these funds, because basically, as noted in Agency staff's analysis, even this kind of second mortgage does not completely close the financing gap for the project. As it happens, the author of the bill which established the funds from which this second mortgage program was mandated appears to be a San Francisco legislator. Given that particular dynamic, the CHFA may find itself in great need of

MATTERS NOT APPEARING ON AGENDA

approving a San Francisco project and if this is the only project in the gate, it stands a better than slim chance. It is expected also that the Mayor will give some personal support with CHFA in trying to secure approval for this program.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. KING THAT RESOLUTION NO. 88-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY":

Mr. Newman
Mr. Lee

AND THE FOLLOWING ABSTAINED:

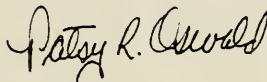
None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Blomquist and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

May 31, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF APRIL 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of April, 1983, the place and date duly established for the holding of such meeting.

Acting President King called the meeting to order and on roll call the following answered present:

Leroy King, Acting President
H. Jesse Arnelle
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Melvin D. Lee, President

The President declared a quorum present.

Also present were Dewey Brown, Ocie Mae Rogers, Allen Jordan, Joint Housing Committee; Sidney Williams, S. J. Steel; M. J. Staymates, Western Addition Neighborhood Association (WANA); Saundra Blanchard, Joane Smith, P. Willie James, G. White, Earl C. Jackson, G. Marshall, Mrs. E. Appleberry, Mrs. Joane Fisher, Mrs. Barbara Nelson, Veronica Nelson, Katie Nelson, Peggy Taylor, Beatrice Shaw, Daisy Hall, Willie Roy, Sr., Barbara Jackson, Fillmore Store; J. Eugene Butler, Maurice James, James Colenman, L. Ukali Johnson-Redd, Morrisania West; L. Jamerson, Jamerson Construction; Dexter Woods, Western Addition Project Area Committee (WAPAC); Mary Montgomery, Trina Morgan, Tina Eskridge, Tracy Brown, Juneteenth Committee; and Roslyn Baltimore, Charles Ryan, Olie William, Evelyn Guillo; Mr. and Mrs. Lonnie Jackson, Nancy M. Griffin, Mary P. Gray, Mary D. James, Lois Whit, Verge Norwood, B. Eddington, Barbara G. Jacobs, John W. Fields, Mrs. Philisya A. Williams, Jerry Reese, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of March 1, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Yesterday the Board of Supervisors passed the Bonds for the Taysan-Lincoln development in YBC.
- (b) The Parking Authority will be holding their grand opening and dedication of the Performing Arts Garage on Grove Street on April 15 at 11 a.m.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in an Amendment to the Land Disposition Agreement for Parcels 767-A and B; Western Addition A-2.

Resolution No. 53-83, requests authorizing a Third Amendatory Agreement which extends the performance dates to the combined Disposition of Land Agreement and Owner Participation Agreement with the State of California for Parcels 767-A and B, block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets; and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

Acting President King opened the public hearing to hear all persons interested in this matter.

There being no persons wishing to appear in connection with this matter, Acting President King declared the public hearing closed.

- (b) Public Hearing to hear all persons interested in the Assignment of Interest for Parcels 767-A and B; Western Addition A-2.

Resolution No. 54-83, requests approving Assignment of Interest in the Land Disposition Agreement by the State of California to the San Francisco State Building Authority for Parcels 767-A and B, block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets; and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

Acting President King opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on items (a) and (b) as follows.

It is requested that the Public Hearing for item 8(a) be held, but no action taken. This is the Third Amendatory to the LDA with the State of California. It is requested that for item 8(b) the Public Hearing and action on the assignment of the LDA from the State of California to the State Building Authority be continued until May 3, 1983. Because this development is now proposed to be constructed by the State Building Authority, the State Public Works Board is not authorized to approve the Third Amendatory Agreement.

UNFINISHED BUSINESS (continued)

Consequently, the State has requested the assignment be effected first and then the Third Amendatory Agreement be approved in the name of the Authority rather than the State. This will necessitate a republishing of the public hearing in the name of the State Building Authority on the Third Amendatory. The current State budget difficulties have caused the new administration to request a delay in the development schedule and the State now estimates that advertising the construction contract may be delayed an additional 30 days. Therefore, the continuance of the assignment consideration and republication of the notice of public hearing regarding the Third Amendatory will not adversely effect the overall schedule for development of this site.

RULE OF THE CHAIR: Acting President King indicated that subject to the objection of any Commissioner that item (b) would be continued until May 3 at staff request. There being no objection, it was so ordered.

- (c) Resolution No. 59-83, requests authorization for Union Offset Printers and Lithographers to reproduce the 1983 edition of San Francisco Redevelopment Program -- Summary of Project Data and Key Elements (commonly known as the "Fact Book") in an amount not to exceed \$8,633.78.

Mr. Hamilton reported on item (c) as follows. Since the in-house printshop was phased out, the Agency is obliged to use outside printing services. Estimates were solicited from three local printers that are union label shops, with Union Offset Printers and Lithographers submitting the lowest bid. The Fact Book is a necessary adjunct to the Agency's program. It is a most useful document internally for reference purposes and forceful externally in describing the redevelopment program and its current status.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-83 BE ADOPTED.

- (d) Resolution No. 84-83, requests approval of preliminary design drawings for the Taysan-Lincoln Associates' development located on the parcel bounded by Folsom, Hawthorne, Harrison, and Third Streets in Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. At the time of the LDA, the design proposal by Kaplan, McLaughlin, Diaz reflected design constraints imposed by the developer which included buildings with a similar plan configuration not exceeding a 75 foot height limit. Staff was concerned with the similarity in terms of height and bulk and believed the overall design would be improved if at least one building exceeded the height limit. The developer indicated economic infeasibility if this condition were imposed. After staff's economic analysis and discussion with the developer,

UNFINISHED BUSINESS (continued)

staff concurred. Based on that conclusion, the architects began design development which respected the 75 foot height limit imposed by life safety requirements. In order to meet the May 17 date for start of construction, the developer is utilizing the fast track method allowed by the City for permit processing. The proposal consists of 346 units in five slab tower buildings of six to eight stories and 52 units in a series of three story townhouse/flat structures on the Third Street side for a total of 398 units. Also, the proposal calls for a three level parking structure with 771 spaces. Around the perimeter of this structure on Third and Folsom Streets will be approximately 41,500 square feet of retail commercial space. Staff has reviewed the architectural design for the proposed development and there are several design concerns which require resolution by Taysan-Lincoln during the next and final phase of design work, which staff believes can be successfully addressed during the final phase.

Mr. Jeffrey Heller, Architect for the Taysan-Lincoln development went through a description of the conceptual project and some of the design details and indicated the developer tended to concur with staff's concerns and would work with them to further refine the design to address those issues.

Ms. Blomquist inquired about the Third Street to Commercial Arcade on the third level, if that was open to the public and Mr. Heller indicated it was only open to the residents past the security gate. However, there is a public open space around the stair element up to the second level, with decks on either side. Ms. Blomquist inquired what type of glass would be used and Mr. Heller indicated a combination of tinted gray type glass for solar control in the upper commercial and probably clear on the arcade level and residential portion.

Mr. Newman inquired if the chimneys shown in the drawings would be functional and Mr. Heller responded affirmatively. Mr. Newman inquired if there would be fireplaces in some of the units and Mr. Heller indicated affirmatively in the upper units. Mr. Newman inquired if the second floor retail would be independent from the first floor stores and how would a person get to them and Mr. Heller indicated they can be independent and a person can get to them at the middle elevation on Third Street where the sidewalk widens and opens up into the arcade there is an entry, an elevator and a stair to the second level.

Ms. Blomquist inquired how much of the 68,000 square feet of open space would be strictly for the residents and Mr. Heller indicated approximately 80 percent.

Mr. Edmund Ong, Chief of Architecture presented the staff critique of the design.

UNFINISHED BUSINESS (continued)

Ms. Blomquist indicated that it appeared that the massing on Third Street in the previous design had been improved upon in this newer design, but it appeared that the staff architects were requesting the massing be relocated as in the earlier proposal. Mr. Ong indicated that the earlier scheme had the townhouses out to the property line that created a wall along Third Street and everyone was concerned about that. Now the retail commercial is out to the property line and the residential units are set back, but within that scheme, without necessarily moving the buildings, staff believes there are ways of developing the various architectural elements that make up that facade to achieve the desired result. So it is leaving the bulk as it is, but within that frame work developing the design of the elevation so that it has more apparent scale and mass relates better to the existing buildings.

Ms. Berk inquired if only 20 percent of the open space is for the public what is the liveliness of the Third Street facade and Mr. Ong indicated that liveliness is not only in terms of participation, but also the visual impact of what occurs there and it may be just a question of looking at the water element of the fountain, which provides a focal point and a sparkle to that corner. Ms. Berk indicated that she hoped the people in the neighborhood would have an affinity for walking down that street and feel comfortable and secure with it.

Mr. Newman inquired that in terms of the open space in the project is there any place the residents will be able to get outside to get sunlight and are there going to be any roof top facilities and Mr. Heller indicated that there is a deck area and the front of some of the townhouse units are divided off for private use and they will be open and sunny.

Mr. Hamilton recommended that the basic design concepts be approved, subject to the design concerns which have been expressed by the Commission and staff.

Ms. Berk inquired if the results of these design concerns would be brought back to the Commission in a public meeting and Mr. Hamilton indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-83 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 89-83, requests authorization of a Permit to Enter Agreement with Morrisania West, Inc./Postal Street Academy for the interim use of the Parcel 750 bounded by Fillmore, Steiner, Turk and Eddy Streets in the Western Addition A-2 for the purpose of conducting a seven-day Black Emancipation Carnival from June 13 through June 19.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. This celebration is held annually in mid-June by Black Americans throughout the country to celebrate the commemoration of the arrival of the news of the Emancipation Proclamation to the mid-West. This year it is being held in conjunction with the wider Juneteenth Festival planned for Fillmore Street, which is the subject of the next item, 9(b). Morrisania West is a highly regarded community-based, youth-oriented organization that provides educational and vocational training for San Francisco youth. The proceeds from this event will provide funds to further those programs in the Western Addition. It is recommended no rent be charged to this non-profit organization. The interim use is consistent with Agency policy and in no way interferes with the development schedule of this parcel.

Ms. Blomquist inquired if insurance coverage is required and Mr. Hamilton indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-83 BE ADOPTED.

- (b) Resolution No. 90-83, requests authorization of a Permit to Enter Agreement with the Juneteenth Festival Committee for the use of a portion of Blocks 707, 708 and 726 in the Fillmore Center in the Western Addition A-2 for the purpose of conducting the Juneteenth Festival Celebration on June 18 and 19.

Mr. Hamilton reported on item (b) as follows. This is the third annual Juneteenth celebration to be held on Agency-owned land adjacent to Fillmore Street. Ceremonies will commence with a parade at 11 a.m. from Golden Gate Park to the site of the Festival. For several years, until 1981, the Festival was held on Divisadero Street and Kezar Stadium and was attended by over 10,000 persons.

With the imminent development of the Fillmore Commercial Center, the Festival Committee believes that having this event on Fillmore Street will acclimate people to the return of commercial activity to the area. The Festival will not interrupt the development schedule of the Fillmore Commercial Center in any way. Staff recommends that no rent be charged because of the Committee's non-profit status. Proceeds from donations will be used for cultural and educational needs to further the interest of the Western Addition.

Ms. Mary Jane Staymates, WANA, indicated her concern about having the festival in this location because of past violent experiences, and read a letter from the Beideman Neighborhood Group who had the same concerns. She indicated they were in sympathy with the celebration, but indicated this was not the place to hold it.

NEW BUSINESS (continued)

The following persons spoke in favor of having the festival at the subject location: Ms. Mary Rogers and Mr. U.J. Montgomery, WAPAC; Mr. Dexter Woods and Ms. Mary Montgomery, Juneteenth Committee; Mr. Maurice James, Morrisania West; and Orville Luster.

Mr. Arnelle inquired why the festival was being moved from Kezar to Fillmore and indicated he wanted assurances that the Juneteenth Committee would provide security. Mr. Woods indicated that the move was motivated by the \$3,000 rent charged at Kezar, which the Committee does not have, plus Kezar lacks community atmosphere and that this year the Committee is hiring additional guards and working closely with the Police Department.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-83 BE ADOPTED.

- (c) Resolution No. 91-83, requests authorization of a Fourth Amendatory Agreement to the LDA with Eddy Place Associates for the parcel located on the south side of Eddy between Van Ness and Franklin in the Western Addition A-2. This amendment will extend the Schedule of Performance dates by 120 days.

Mr. Hamilton reported on item (c) as follows. In September 1981, the Commission approved an LDA with Eddy Place to develop 10,000 square feet of office space and four residential condominiums. The developer recently advised that lenders were not interested in small mixed-use developments, and in February of this year, the Commission approved the change in use for this parcel which eliminated the residential portion of the project. The building has been redesigned for office use and a building permit is imminent. At the February 15, 1983 meeting, it was noted that Union Bank was processing a construction loan as well as permanent financing. Although the bank confirmed the interest in writing, it declined any participation prior to the conveyance date. Eddy Place Associates is presently negotiating with other lenders.

The situation is further complicated because lenders require that all subcontractors be bonded, but because the developer is acting as its own general contractor it cannot bond its subcontractors. Because of this requirement, the developer cannot meet the Agency's affirmative action goals in a literal sense. During this extension period, the developer would secure a loan commitment and complete its negotiations regarding affirmative action. The performance dates would be revised for: Submission of Evidence of Financing from March 1, 1983 to July 5, 1983; and Conveyance from March 22, 1983 to July 27, 1983. Since the price for this parcel expired on March 22, the developer was advised the land will have to be reappraised and has accepted this fact. Once the new price has been determined, staff will return with a further Amendatory Agreement incorporating the new price into the LDA.

NEW BUSINESS (continued)

Mr. Roslyn Baltimore, Eddy Place Associates, introduced her engineer Mr. Valmar Schaaf and subcontractors Mr. David Serria, Sid Williams and Ruddy Dock who had submitted bids on this project and Mr. Dick Charnock the projects Financier, and who all indicated their support of this development.

Mr. Newman inquired if there was anything negative about approving this extension and Mr. Hamilton indicated the only negative is that it is additional time, but believed it was warranted given the commitment to the project and the effort already expended by the developer.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-83 BE ADOPTED.

- (d) Resolution No. 92-83, requests authorization for the Agency to accept the offer to purchase the commercial office building offered by Safeway and to pay the required down payment of \$1.2 million. This parcel is located in the Fillmore Center on the east side of Fillmore between O'Farrell and Ellis in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The LDA with Safeway provides that it will design and build an office/commercial building on the subject parcel for turnkey purchase by the Agency or its designee provided that prior to Safeway letting the contract for construction, the Agency or its designee will pay a \$1.2 million down payment to Safeway by April 26. In January 1983, Safeway sent an offer to sell for an actual contract cost of \$4,089,932.00, though further modifications and/or change orders required and approved by Safeway and the Agency may result in changes to the final contract cost. Staff has had discussions with qualified persons and groups interested in becoming a designee of this business opportunity, but as of this date is not in a position to recommend either a group or individual or even the conditions to impose on a designee for acceptance of the offer. Therefore, since Safeway's offer must be accepted on or before April 26, 1983, staff recommends that the Agency accept the offer and make the down payment. Money was specifically budgeted and approved in the CD Budget for this purpose. This will permit staff more time to consider appropriate conditions to recommend for purchase of the building. At an early future date, staff will advise of the particulars regarding its recommendation for suitable conditions to impose on a designee and at the same time recommend a designee for consideration. After acceptance of the offer, the LDA requires that the Agency deliver to Safeway satisfactory evidence that the balance of the purchase price will be paid no later than June 15, 1983. Safeway's representatives have informally indicated that delivery of the down payment will be sufficient evidence of the Agency's intent to pay the remainder. The balance must be paid within 30 days following the Agency's issuance of a Certificate of Completion.

NEW BUSINESS (continued)

This is entirely consistent with the Agency's approach to the Fillmore Center and the hope and expectation that ultimately community-based investors would participate in the ownership of the major components in the area.

Mr. Wade Woods, WAPAC, indicated it was his understanding there is a community-based minority group prepared to purchase the office building, so why is the Agency using their money to buy the building, as this seems to be another level of bureaucracy. Mr. Hamilton indicated staff has received a number of expressions of interest, but none that meet the criteria as reflected in a memo to the Commission in September 1980 that in fact the commercial building ultimately be sold at cost to community-based investors who would pass on the low cost opportunity to the ultimate users and businesses operating in the area. Mr. Woods inquired if the hold up is the criteria for them to show they would pass on the savings to community-based businesses and Mr. Hamilton indicated affirmatively. Mr. U. J. Montgomery, WAPAC, indicated that the community has essentially reached a consensus as to which group it wants to get the building. He requested that staff meet with WAPAC and the interested developer and give them the specific criteria and let WAPAC try to resolve how they feel the project should be developed.

Acting President King indicated that there is staff that works for this Agency and they will work with the community organization, but the final criteria will come from the staff to the Commission and the Commission will make the final decision.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-83 BE ADOPTED.

- (e) Resolution No. 93-83, requests authorization of the Offering of the parcel located at 1300 Golden Gate Avenue/1101-23 Fillmore Street, and an expenditure not to exceed \$4,000 for preparation and printing of a Rehabilitation Offering Brochure in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. In early 1981, Mrs. Mary James of the Fillmore Complex Associates was granted exclusive negotiations to rehabilitate this four-story wood framed building with 31 residential units and commercial space.

At Ms. James' request, a considerable amount of time was spent analyzing the building in light of current economics and it was decided that it was feasible to rehabilitate. One of the conditions of exclusive negotiations was that Ms. James identify certificate holders with sufficient investment capacity to assume 40% of the equity in the building. After more than a year of work and despite many good efforts evidence of financing has not been received. Since Ms. James has not been able to raise the required funds, and since this building is the continuing subject of a condemnation

NEW BUSINESS (continued)

order, with the next court hearing scheduled for April 28, staff recommends proceeding with a public offering of this property. That offering will allow for the normal practice of recent rehabilitation offerings, which establishes lists for two categories of respondents: one for certificate holders and one for non-certificate holders. However, because of the great personal concern about the possibility of Ms. James ultimately being successful with this rehabilitation attempt a modification to the proposal before you is recommended. The Agency is going to have to take a responsible position before the courts, which means some kind of action must be taken so that in fact the Agency is pursuing disposition of the matter. Ms. James has provided many years of occupancy and diligent service to the community. Mr. Hamilton made the following suggestion which respects the necessity for the Agency to demonstrate movement in an affirmative sense and also recognizes the peculiar position of Ms. James. Staff would proceed with the offering for a 30-day period, requiring that staff get the offer out before the court date of April 28. However, during this offering period Ms. James would enjoy a preferred position, if, in fact, she responded with an indication of the 40% equity holdings from certificate holders, as was the condition of the original designation, and the normal capital requirements with respect to ability to perform. In that event she would be selected. If, however, Ms. James were to fail, other submissions would be evaluated that came in during that period and a selection made. If there were no qualified respondents from within the certificate group, then those who responded from the general public would be considered. In light of the fact that assurances on a number of occasions have been made by Ms. James that there was every reason to believe that an agreement for financing is close, a preferred position for this period of time respects the efforts made in the past and provides a measure of priority, which puts the Agency in a position with the courts of having moved the item past a stalemate when staff appears in court on the 28th of April.

Ms. Mary James indicated she had been trying very hard to obtain the financing and believed it would take more than the 30 days, but would nevertheless try.

Ms. Blomquist indicated she has been supportive of Ms. James, because she was trying to save the building, and since Mr. Hamilton has given the Commission a nice compromise she would like to move staff's recommendation.

Mr. Arnelle inquired if the Agency is on sound legal grounds, given the profit compromise for the preferred position in the period designated. Mr. Leo Borregard, Agency General Counsel, indicated affirmatively, as the Agency has the power to negotiate a sale, and can make an offering with special conditions, since the special condition will be well known to all persons who receive the offering or who wish to participate.

NEW BUSINESS (continued)

Mr. U. J. Montgomery indicated that WAPAC supports this modification to the resolution.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-83 BE ADOPTED, AS AMENDED.

- (f) Resolution No. 94-83, requests authorization of a Personal Services Contract with Ramseyer, Zerbst and Company, Inc. for economic analyses of development proposals in Rincon Point - South Beach in an amount not to exceed \$25,000.

Mr. Hamilton reported on item (f) as follows. The Questor Study completed in 1982 established the framework for analyzing housing development proposals and determining the degree to which private developers could be expected to participate in providing low and moderate income housing. It was anticipated at that time that follow-up services would be required to assist the Agency in applying the results of Questor's effort to specific development proposals. The services to be provided by Ramseyer, Zerbst and Company, Inc. are for economic analysis of development proposals including assistance in negotiations with developers associated primarily with the production of low to moderate units. These services will provide staff with access to a broad range of private development projects, up-to-date cost and market information and appropriate computer financial software, which will strengthen staff's ability to review proposals and negotiate on behalf of the Agency. The Agency is now reviewing one major proposal and anticipates the receipt of several others over the next few months for which the services under this contract are needed. This firm has proposed a desirable level of services at a reasonable cost.

Ms. Blomquist inquired how long the \$25,000 would last and Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, indicated there is no fixed date, it is a time and materials contract and will only be used if needed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-83 BE ADOPTED.

- (g) and (h) Resolution No. 95-83 and 96-83 request an extension of Exclusive Negotiations until July 13, 1983 with O & Y Equity Corp./Marriott Corp./Beverly Willis. Item 9(g) for the Central Blocks and Item 9(h) for the parcels located on the east side of Third Street between Mission and Howard Streets known as East Block 2 in Yerba Buena Center.

Mr. Hamilton reported on items (g) and (h) as follows. In January 1983, an extension was granted O & Y for three months until April 13 for the Exclusive Negotiating Rights of both the Central Blocks and EB-2. There is substantial progress in the negotiations with O & Y

NEW BUSINESS (continued)

including the terms of the disposition documents. When the draft Development and Disposition Agreement (DDA) is executed by the developer there be an appropriate period for public review prior to the public hearing and Commission consideration.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-83 BE ADOPTED.

- (i) Resolution No. 97-83, requests authorization of a Fourth Amendatory Agreement revising the Performance Schedule in the LDA with Bay Vista Homes for the development of various parcels in Phase I of Hunters Point.

Mr. Hamilton reported on item (i) as follows. An LDA was authorized in June 1981 with Bay Vista for development of 55 market rate, residential dwellings on scattered sites in the Phase I area of Hunters Point. The last Amendatory Agreement was granted in December of last year. The project is being constructed in two phases by Dukes-Dukes Associates; eighteen units in the first phase and 37 units in the second phase. The Developer has completed six of the 18 units in phase I. After approval of the Third Amendatory Agreement, Dukes-Dukes Associates has either resolved or is working on the resolution of issues to enhance the marketability of the housing product. The recommended changes in the schedule are for the first phase completion of construction not later than December 5, 1984. In Phase II submission of evidence of financing would be changed from April 11, 1983 to April 11, 1984; conveyance of the site from May 10, 1983 to June 13, 1984; and completion of construction from April 12, 1984 to May 12, 1985. Staff recommends approval of this Fourth Amendatory Agreement since six of 18 Phase I units are complete, interim financing is in place and the developer is participating in an SB-99 program.

Ms. Blomquist requested that the performance schedule be amended to give the developer a six month extension instead of one year so the Commission could review the progress of the development.

Mr. Hamilton indicated he had no objection.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-83 BE ADOPTED.

- (j) Resolution No. 98-83, requests authorization for Helen L. Sause, Project Director, Yerba Buena Center and Mr. Hamilton to travel to New Orleans, Louisiana on April 8-13, 1983 to attend a series of National NAHRO meetings in an amount not to exceed \$2,400. The National Community Revitalization and Development (CR&D) and the Board of Governors will be meeting and NAHRO will be conducting a workshop on Financing, Housing and Community Development.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (j) as follows. He will be attending in his capacity as National Vice President of CR&D and a National officer and Mrs. Sause will be attending in her capacity as a PSWRC CR&D appointee and member of the Board of Governors. The Board of Governors will be considering several significant issues including a review of Administration policies which have a major effect on this Agency's program. The Financing, Housing and Development workshop will explore strategies for determining financing for housing and development, ways to use financing to achieve community goals, and the "where and hows" of financing housing and development. Mr. Hamilton will be serving as a panelist on one of the financing sessions and Mrs. Sause will also moderate one of the sessions. In addition to the meetings, they will have an opportunity to evaluate the operation of the Marriott conference hotel in New Orleans, which is comparable to that proposed for YBC and also the Rouse development.

Mr. Newman requested that Mr. Hamilton and Mrs. Sause bring back photographs of the Rouse Development and Mr. Hamilton indicated they would.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-83 BE ADOPTED.

- (k) Resolution No. 99-83, requests two actions: To rescind Resolution No. 52-83 and to authorize Mr. Demetrio Salvador to attend a seminar on construction claims in an amount not to exceed \$890.00.

Mr. Hamilton reported on item (k) as follows. In February of this year the Commissioners authorized Mr. Salvador, Chief of Engineering, to attend a seminar on "Construction Claims and Disputes for Owners and Contractors", in Los Angeles. The seminar, sponsored by "Engineering News Record", was cancelled because of inadequate response. A seminar, with a different sponsor, Pepperdine University School of Law, has been scheduled to take place on April 28 and 29 in Los Angeles. It will emphasize how to evaluate construction claims particularly those relating to time delays and/or acceleration and how to develop programs for claims prevention, and thereby resolving costly disputes. Mr. Salvador will gain knowledge which will result in a more efficient discharge of his current duties and therefore beneficial to the Agency.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-83 BE ADOPTED.

- (l) Resolution No. 100-83, requests authorization for Redmond F. Kernan, Deputy Executive Director, to travel to Seattle, Washington to attend the spring Urban Land Institute (ULI) Conference, May 4 through 7, 1983 with cost not to exceed \$1,100.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (1) as follows. The ULI is made up of those involved in the real estate and development field as well as professionals in related activities. It holds two meetings each year and features excellent presentations of development implementation. Agency staff is involved with many of the issues that will be discussed, such as Federal Policy/Development Policies and Regulations to Urban Development/Mixed-Use Commercial and Retail Development. In addition to being a regular ULI member, Mr. Kernan is an executive group member of ULI's Development Systems and Services Council which will convene one day prior to the conference. Since Mr. Kernan is in the position of working with the Agency's development program on a daily basis, it is appropriate and we believe beneficial to the Agency that he attend both the council meeting and the conference.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-83 BE ADOPTED.

- (m) Resolution No. 101-83, requests authorization to extend the Offer to Purchase Real Estate and Acceptance Agreement" with General Services Administration for the purchase of 49 Fourth Street in Yerba Buena Center.

Mr. Hamilton reported on item (m) as follows. Negotiations with GSA culminated in an Agency offer for 49 Fourth Street, which generally results in formal evaluation by GSA and submission to a Congressional Subcommittee for its review. However the offer was never submitted to Congress and will expire on April 7, 1983. Staff believes it is in the Agency's and City's best interest to keep the offer open even though GSA has undertaken to sell the property through the public bid process. Though the Commission authorized submission of a bid, were it possible that the offer might yet be accepted, this clearly would be preferable. It is recommended that the Offer to Purchase the GSA property at 49 Fourth Street be extended to April 14, 1983.

Mr. Newman inquired if there is a particular reason for only requesting a one week extension when the bid opening is April 26, and Mr. Hamilton indicated that if staff has not received word by that time, they will need to effect the mechanics with GSA of moving the deposit from an exclusive offer to purchase to the bid process, which will be the subject of the opening on the 26th and staff will need time to effect that. Staff has inquired of GSA and they will not permit the Agency to use the down payment in a dual way, to count toward both circumstances. Staff feels that they can get within the week the actions taken that would then apply toward that bid.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

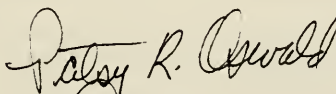
- (a) Mr. Hamilton reported to the Commissioners on the following matter. This is in connection with the signing of the Med Group Bonds, which are expected to close next week. Staff requests a Motion be made expressing the Commission's intent to select a temporary President, and the name of that person, at the meeting of April 12, 1983, as both President Lee and Mr. King will be out of town on that day. Though Mr. Lee's signature will be used on the bonds, the temporary President will need to verify his signature.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT THE COMMISSION INTENDS TO SELECT MS. BERK AS TEMPORARY PRESIDENT AT THE MEETING OF APRIL 12, 1983.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

May 24, 1983

83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF APRIL 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of April, 1983, the place and date duly established for the holding of such meeting.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT MS. BERK BE SELECTED TEMPORARY PRESIDENT DURING THE ABSENCE OF THE PRESIDENT AND VICE PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Melvin D. Lee, President
Leroy King, Vice President

Temporary President Berk declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Irving Caster, Irving Caster, Inc.; Karl Van Dieuse, Wilson and Dan Dieuse for March Construction; Mort Levinson, Levinson Bros., Inc.; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Ocie Mae Rogers, Joint Housing Committee (JHC); and Jason Bryant, appraiser.

Representing the press was Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Just a reminder of the Performing Arts Garage Grand Opening and Dedication this Friday, April 15 at 11:00 a.m.
- (b) A groundbreaking for the future site of Ceatrice Polite Apartments, a TODCO development on Clementina near Fourth Street, will be held on Friday, April 22 at 12 noon, and on the same day the dedication of Woolf House Stage II, also a TODCO development will be held in the Woolf House Courtyard.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The Agency is in receipt of a letter from Mr. Paul Hardman expressing a continuing concern relative to the Glad Tidings disposition action taken by the Commission. Mr. Hardman raises a number of questions which are broader than just Glad Tidings. This letter is now being reviewed by the Legal Division and a response will be prepared and sent to the Commission shortly.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel AA-2; Hunters Point.

Resolution No. 55-83, requests authorization of an LDA with BARCO Developers for Parcel AA-2, located on the north side of Keith Street between Fairfax and Hudson Avenues, and ratifying the publication of the Notice of Public Hearing; Hunters Point.

Temporary President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. This item was continued from the March 22 meeting to provide time to resolve cost issues, which staff feels have been resolved and the developer is ready to proceed. The developers, Mr. Louie Sherriffe and Mr. Richard Smith, propose to build a mix of seventy market rate townhouse and flat-over-flat type residential dwellings in three phases. The performance dates for Phase I will be: Submission of Evidence of Financing by October 14, 1983; Conveyance of the Site by December 16, 1983; and Commencement of Construction by February 15, 1984, and completion by July 19, 1985. Commencement of construction for Phase II will begin six months after start of Phase I, but no later than August 20, 1984 with completion eight months later. For Phase III commencement of construction will begin six months after start of Phase II, but no later than February 19, 1985 and completion eight months later. The developers have met with the Board of Directors of the Bayview Hunters Point Joint Housing Committee who favorably endorse this project.

There being no persons wishing to speak on this matter, the Temporary President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-83 BE ADOPTED.

NEW BUSINESS

- (a) and (b) Resolution No. 102-83 and 103-83, requests authorization of a Personal Services Contract with Jayson F. Bryant and authorization of a Personal Services Contract with Ray C. Carlisle, respectively. Each contract is for reuse appraisal services and each contract is an amount not to exceed \$10,000 for all project areas except Rincon Point - South Beach.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (a) and (b) as follows. HUD Regulations require all properties to be disposed of by the Agency be appraised independently by at least one competent professional appraiser in private practice, and if the fair reuse value of a parcel exceeds \$25,000 at least two appraisals be obtained. The Agency's need for such appraisals does not always coincide with the schedule of the appraisers, therefore, the Agency has established a panel of five appraisers to insure the need for appraisals be met in a timely manner. At the meeting of October 26, 1982 approval was given for additional funds in the amount of \$20,000 to be "earmarked" for the addition of one or more minority appraisers. Staff contacted minority appraisers, interview sessions were conducted, and staff selected, on the basis of these interviews, two appraisers as most appropriate for addition to our panel of independent appraisers.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-83 BE ADOPTED.

- (c) Resolution No. 104-83, requests authorization of Levinson Brothers, Inc. proposal to insure 23 Agency vehicles for a period of one year.

Mr. Hamilton reported on item (c) as follows. Last month staff solicited proposals from seven brokers. Three proposals were received with the lowest quote of \$9,890 from Levinson Brothers, Inc.

Ms. Blomquist indicated she thought the Agency had 40 vehicles and inquired what happened to the others. Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated the number of Agency vehicles had been reduced to 23.

Mr. Newman noted that although he had no financial interest in the Levinson firm, he does hold an insurance license with them and would therefore abstain from voting on this item and also the next item 9(d).

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-83 BE ADOPTED.

- (d) Resolution No. 105-83, request authorization to accept the bid from Levinson Brothers, Inc. for Project Liability Insurance Coverage in the amount of \$1,000,000 each for Bodily Injury, Personal Injury and Property Damage covering Yerba Buena Center, Western Addition, Hunters Point, India Basin, Rincon Point and Soloman Village for a one year period.

Mr. Hamilton reported on item (d) as follows. Last month staff solicited proposals from seven brokers. Four proposals were

NEW BUSINESS (continued)

received with the lowest quote of \$25,002 with no deductible from Levinson Brothers, Inc.

Ms. Mary Rogers, WAPAC, inquired if an Agency-owned building is destroyed by fire, is the Agency liable to the tenants residing in the building. Mr. Hamilton indicated only if negligence can be established on the part of the Agency. With respect to fire insurance for the tenants belongings, the individual tenant is responsible for that kind of insurance. Ms. Rogers inquired if the Agency would investigate insurance companies to find one that would provide fire insurance to occupants of Agency-owned buildings. Mr. Hamilton indicated that staff would investigate and give the Commission and Ms. Rogers a report.

Mr. Newman noted that although he had no financial interest in the Levinson firm, he does hold an insurance license with them and would therefore abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-33 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 106-83, requests authorization to expend funds in connection with the Publication of the Agency's notice regarding the public sale of 49 Fourth Street, Yerba Buena Center.

Mr. Hamilton reported to the Commission on item (a) as follows. At the meeting of March 29, 1983, the Commission authorized staff to notify potential purchasers of the 49 Fourth Street GSA property in Yerba Buena Center of the Agency's intentions that in the event the Agency is the unsuccessful bidder, they will take all appropriate steps to implement its power of eminent domain and acquire the property from any successful bidder by condemnation. After consultation with the Agency's Condemnation Counsel and Agency General Counsel, they have advised that it would be prudent to advertise this intent nationally one time in The Wall Street Journal, which is estimated to cost \$6,000. Because it is Condemnation Counsel's belief that the Agency has to have put itself in a position in which it has exhausted all reasonable efforts to advise potential bidders in order to be most effective in condemnation proceedings should they occur, authorization is requested to expend funds in an amount not to exceed \$6,000 to advertise the Agency's intent regarding the 49 Fourth Street GSA property in The Wall Street Journal.

Mr. Arnelle and Ms. Blomquist inquired why the Agency is advertising in the Wall Street Journal and not in the regular newspaper and Mr. Hamilton indicated because GSA specifically advertised in the Wall Street Journal and the Agency wants to get the same readership, which is Condemnation Counsel's concern that the Agency notify those people who were advised in that Journal. Mr. Newman inquired if

MATTERS NOT APPEARING ON AGENDA (continued)

that was a full ad and Mr. Hamilton indicated no; it is about a 2" x 4" ad and is similar in size to the one placed by GSA. The ad will be advertised one time only and the text of the ad has been specifically prepared by Condemnation Counsel.

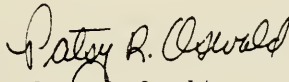
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-83 BE ADOPTED.

- (a) Mr. Hamilton announced that the Jamerson property closed escrow today.
- (b) Ms. Mary Rogers inquired if the Commission had taken any action in regard to the death of Congressman Phil Burton, and Temporary President Berk suggested that this meeting be adjourned in his memory.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned in memory of Congressman Phillip Burton. The meeting adjourned at 4:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

May 3, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF APRIL 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of April, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnelle
Charlotte Berk (arrived 4:20 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Ilene Weinreb, Bay Area Council; Robert Mueller, Les Krupp, Robert K. Innes, MMI Partners; Jeff Hawkins, Wells Fargo; George Colbert, Arnold Townsend, KP00 Radio; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); and Eileen Henriques, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of March 15, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Bushmoor Associates will be holding ribbon cutting ceremonies for their 50 unit condominium development called the Amelia at Fillmore between Eush and Sutter this Thursday, April 21 at 5:45 p.m.
- (b) Roosevelt and Althea Carrie who will be rehabilitating the property at 2075-89 Sutter Street closed Escrow on April 6, 1983.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) There will be no Agency meeting next Tuesday, April 26. The next regular meeting will be held on May 3, 1983.

UNFINISHED BUSINESS

- (a) Resolution No. 82-83, approving design of Van Ness Center Associates' development for Block 690, Lots 13, 14 and 15 (bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets); Western Addition A-2.
- (b) Resolution No. 83-83, requests authorization of an Owner Participation Agreement with Van Ness Center Associates (of which the partners are Chevron Land and Development Company and Grosvenor Van Ness Associates) for Block 690, Lots 13, 14 and 15 (bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets); Western Addition A-2.

Mr. Hamilton reported on items (a) and (b) as follows. A letter had been received from the developer requesting these items be continued to the meeting of May 3, 1983.

Ms. Ilene Weinreb, Bay Area Council, indicated she was speaking for the President of Bay Area Council, Mr. Angelo Siracusa. She then read a letter to the Commission from Mr. Siracusa dated April 18, 1983 supporting this development.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (b) would be continued for two weeks at the developers' request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel F-5; India Basin.

Resolution No. 107-83, requests authorization of an Agreement for Disposition of Land with Parcel F-5 India Basin, Ltd. for Parcel F-5, located on the south side of Evans between Mendell and Keith Streets; approving the disposition price and ratifying the publication of Notice of Public Hearing; India Basin.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. Parcel F-5 India Basin, Ltd. is an undertaking by Thomas and Karen Lile who own 100% of the proposed development. The property will be developed for lease to small businesses which will have the opportunity to buy an ownership interest in the Limited Partnership after completion of the project. Mr. Lile is an architect who also functions as a developer and has undertaken several similar developments in the Bay Area where

NEW BUSINESS (continued)

tenants are able to purchase shares in the Limited Partnership. Mr. Lile fully supports the Agency's agreement with the Bay View Hunters Point Joint Housing Committee to provide employment priority for neighborhood residents and is making this arrangement known to potential tenants, and his Lease Agreement will provide for the Leasee's compliance with the program as well. The Developer has met with the Board of Directors of the BVHPJHC who favorably endorsed the project. The performance dates will be: Submission of Evidence of Financing by July 1, 1983; Conveyance of the Site by September 1, 1983; Commencement of Construction by October 1, 1983; and Completion of Construction by December 4, 1984.

There being no persons wishing to appear in connection with the matter, President Lee declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-83 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel C-2; India Basin.

Resolution No. 108-83, requests authorization of an Agreement for Disposition of Land with MMI Partners, for Parcel C-2, bounded by Evans Avenue, Newhall and Mendell Streets; approving the disposition price and ratifying the publication of Notice of Public Hearing; India Basin.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (b) as follows. On July 13, 1982 the Agency entered into Exclusive Negotiations with MMI Partners and also authorized the transmittal of an application for an Urban Development Action Grant (UDAG) for this development which was approved by the Mayor on March 10, 1983. MMI proposes to build a two-story facility containing 90,000 square feet with attendant parking and on-site improvements which will house their principal office and direct mail communications activities. MMI has presented a construction loan commitment in an amount of \$2,000,000 from Wells Fargo Bank. The City was offered a UDAG in an amount of \$485,000 to use for the purpose of providing loan funds to the developer. However, HUD and the City proposed the Agency defer receipt of land proceeds for the purpose of enabling the City to receive the grant advance of UDAG dollars. Though it is current Agency policy to require full payment of the disposal price at the time of conveyance, staff has worked out terms with the developer for financing the purchase in conformance with the terms required by the UDAG grant, and this has been approved by HUD and the City. Staff has approved MMI's affirmative action program. MMI's employment potential will increase at the rate of eight jobs per year and attrition will represent an additional twelve jobs per year. This developer will be providing significant job opportunities as over

NEW BUSINESS (continued)

half of the job openings will be for entry level positions. The developer has met with the Board of Directors of the BVHPJHC who has favorably endorsed the project. The performance dates will be to Convey the Site by May 20, 1983; Commencement of Construction by June 20, 1983; and Completion of Construction by January 30, 1984.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Hamilton advised the Commission that the Legal Division in their continuing review would like to make some modifications to the LDA.

Mr. David Oster, Assistant Agency Counsel, indicated that in recognition of the uniqueness of this transaction involving the UDAG and also the Agency's deferring the land price, there are additions to the LDA which should be part of the record. One is a provision that states in the event the UDAG funds are not available, the Agency may exercise the right of re-entry onto the property and retake possession. Second is a provision that the Developer will deposit a Promissory Note and Deed of Trust into Escrow, as well as a Grant Deed which the Agency may use to reacquire title to the property, in the event that the UDAG money is not available. Mr. Lee inquired if the Promissory Note was for a specified amount and Mr. Oster indicated affirmatively, \$548,442. Mr. Oster indicated that a third provision is a requirement in the LDA for the developer to perform the UDAG and also to fully perform the terms of the City/Developer Agreement, which is required under the terms of that UDAG. Also, there is a provision for the Agency to accelerate the payment of the purchase price in the event of default by the Developer under the Deed of Trust or upon sale or transfer of the property. Finally, there is to be an acknowledgement that the Deed of Trust to the Agency securing the Promissory Note is subordinate to a First Deed of Trust to Wells Fargo in the amount of \$2,000,000. Staff also requests that the resolution before the Commission be amended to make the approval of the LDA subject to the Executive Director's right to extend the schedule of performance that is now provided in regard to the conveyance of the site and commencement of construction upon the advice of Agency General Counsel.

Mr. Hamilton indicated these provisions proposed by the Legal Division are to assure that the unique arrangement of the deferred land price, in fact, expires should the UDAG fail.

Ms. Blomquist indicated that the Agency is not setting a precedence, but that this is a unique situation and is only being done because of the UDAG.

Ms. Berk arrived at this time, 4:20 p.m.

President Lee inquired why there would be attendant parking when the site has so much vacant land around it and Mr. Robert Innes, MMI, indicated all parking spaces would be accessible and there would be

NEW BUSINESS (continued)

no attendant parking. Ms. Blomquist inquired how many parking spaces are to be provided and Mr. Innes indicated about 146.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-83 BE ADOPTED AS AMENDED.

- (c) Resolution No. 109-83, requests authorization to advertise a contract for the demolition and site clearance of three buildings located in the Yerba Buena Center Project.

Mr. Hamilton reported on item (c) as follows. 355 Fourth Street is a vacant one-story concrete commercial structure, which has no architectural merit and restricts the development potential of the site. There is no designated developer for the parcel; however, staff will be coming to you with a marketing and offering strategy for the remaining sites in YBC. Staff's opinion is that clearance of the site will enhance its marketability. 87-97 Third Street is a five-story commercial brick and concrete structure. There are two tenants on the ground floor renting space on a month-to-month basis who will have to be successfully relocated before Demolition. This building has a number of code violations and has been declared a public nuisance by the San Francisco Superior Court which has ordered the Agency to either correct the violations or demolish the building. It is staff's opinion that rehabilitation is not feasible and demolition of this building will eliminate potential liability problems. 676-678 Mission Street is a four-story wood and brick commercial structure. This building also has a number of building code violations and is not suitable for occupancy, except for the ground floor. Its rehabilitation is not feasible and demolition will similarly eliminate potential liability problems.

Ms. Blomquist inquired if this included Breen's or the Jessie Street Hotel and Mr. Hamilton indicated that it does not involve either one. Ms. Blomquist inquired if there is an interim use for these vacated parcels and Mr. Hamilton indicated no proposals have come forward; however, staff has been working on an offering strategy and the marketability is always increased when dealing with a cleared site.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-83 BE ADOPTED.

- (d) Resolution No. 110-83, requests authorization of a First Amendment to the Personal Services Contract with Economic Research Associates (ERA) for the Yerba Buena Center. This amendment would increase the amount of compensation under the contract by \$20,000 to a total amount not to exceed \$40,000.

Mr. Hamilton reported on item (d) as follows. ERA has assisted the Agency in all aspects of the marketing and developer selection for the mixed-use development in YBC in connection with the proposed

NEW BUSINESS (continued)

Amusement, Recreation, and Entertainment uses (ARE) proposed in the Central Blocks. ERA's services have been essential to provide analysis of the developer's proposals and staff continues to have need of ERA's assistance as negotiations are concluded with O & Y. The contract approved August 3, 1982 with ERA was intended to provide consulting services through April 1983. Since the length of time necessary to complete the negotiations was then not known it was indicated that staff would analyze the status of the negotiations to assess the ongoing need for ERA's services. The analysis indicates an additional expenditure is needed to provide services through the completion of the anticipated Development Disposition Agreement with O & Y. The need to have ERA continue advising the Agency on the implementation of the project's ARE uses will then be reanalyzed. The original contract of October 1978, as amended, totalled \$102,500.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-83 BE ADOPTED.

- (e) Resolution No. 111-83, requests authorization to re-enter into Exclusive Negotiations for a period of 45 days with 1325 Divisadero Street (formerly known as KP00 Radio and Associates) for the property located at 1325-29 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. The Developers have met all the requirements in the previous exclusive negotiations including the affirmative action program, schematic architectural drawings and the evidence of equity capital. The requested 45 day extension will provide time to complete the drafting of the LDA and for noticing the public hearing on the LDA. Recent appraisals determine the fair reuse value of the property to be \$67,200 based on the Developers' intention to convert the building to condominiums. However, the Developers have indicated that this price would make the project infeasible by increasing the amount of equity capital required by almost 30% and reducing the cash return to the Developers, which was the incentive to involve themselves in the arrangement and in effect subsidizes the public radio station KP00. That was the original intention and purpose of this particular development arrangement. It is the Developer's view that the price should be established to reflect several things: the cost of rehabilitating the commercial space at no cost to KP00, the non-profit status of KP00 Radio and the sale of the condominium units to low and moderate-income individuals, as defined in the City's Bond Program. Staff believes these factors should reflect the price and a lower price of \$30,900 is recommended, which was the certified reuse value established for the previous LDA with KP00. A clause will be inserted in the LDA providing for recapture of the difference between the unrestricted use value and the price, should the use change in the future. In addition, the LDA will contain the standard condominium development profit limitation provisions for the Agency to receive 50% of any profits above 20%.

NEW BUSINESS (continued)

President Lee inquired if the \$30,900 sales price would reflect on the future of the property tax assessment based on Proposition 13. Mr. Hunter Johnson, Chief of Rehabilitation, indicated that the assessor does an independent appraisal in establishing the first year's taxes and sometimes it is lower than the Agency's and sometimes it is higher. Also, the assessor reappraises the property after the improvements are completed. However, since this development will be condominiums for sale, each of the homeowners will be assessed individually and pay their own taxes, which will be the final property tax.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Eileen Henriques inquired what she could do about the fact that in the ten years she has lived in the 1900 Block of Ellis Street of the Western Addition, the Redevelopment Agency has not done any of the things they said they would do. Mr. Gene Suttle, Project Director, Western Addition A-2 indicated there are three building in the 1900 block of Ellis Street on the same side as the building Ms. Henriques' bought from the Agency in 1974. Two of those buildings are involved with the Catalyst Program which is related to their development at Post & Gough. They are reassessing their capacity to proceed with this condominium development.

Ms. Blomquist inquired if the Agency had given Catalyst a time limit and Mr. Suttle indicated no. Mr. Hamilton noted that Catalyst had been advised that the Agency no longer feels bound by the package arrangement that was exclusive to them and recently staff has been moving independently to alternative means of disposal of the units. Mr. Suttle advised that in regard to the condominiums that have been rehabilitated, staff will be before the Commission about the second week in May with an action which will identify the purchasers who are in line to immediately acquire the condominium units. Four parcels have been offered in the general neighborhood with a deadline for proposals yesterday and a number of proposals have been received for those parcels in the Beideman Neighborhood Area. Mr. Suttle also pointed out that a report given to the Commissioners earlier chronicled the rather massive extensive work of moving building in, undergrounding utilities, planting trees assisting owners to rehabilitate their privately owned buildings, construction of the Speech and Hearing Center, the Gillary Harrington Apartments, the Sunhouse Complex, and other buildings that have been done. Ms. Blomquist indicated that was true, but she could certainly sympathize with Ms. Henriques, and what about the large apartment building and Mr. Suttle indicated that is the one at Ellis and Divisadero containing 12 units and is part of the Catalyst package.

Ms. Blomquist inquired when would the Commission know what staff has decided to do and Mr. Hamilton indicated within 30 days staff

MATTERS NOT APPEARING ON AGENDA (continued)

will have a recommended approach for disposal of those buildings. The Agency knew when it set aside the buildings for low-and-moderate income under the Catalyst arrangement that it would mean a somewhat more extended period of time for development because they were tied to the Catalyst proposal. It was also felt, however, that was certainly warranted as this was an opportunity to make available units in those kinds of structures to low-and-moderate income people. One of the Agency's concerns has been to provide rehousing opportunities to people in the community that they can afford in other than the large super blocks of new construction configuration and so consciously it was recommended to the Commission and approved not to offer those to the highest bidder, which would have been the quickest and most effective way to dispose of them. Staff tried, but it did not work and now the alternative will probably be market rate.

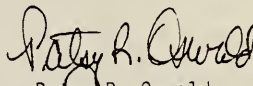
Mr. Newman indicated that he would like this recalendared 30 days from now with a status report and Mr. Hamilton indicated that would be done.

Ms. Rogers inquired that if Catalyst does not proceed with the rehabilitation of the units, if the Plan Change to increase the height limit for their development in A-1 will be rescinded by this Commission and Mr. Hamilton indicated that they were tied inseparately to their providing 25 units of low and moderate income housing. If they don't, then they do not have a plan change.

ADJOURNMENT

It was moved by Ms. Berk seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

May 3, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF MAY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of May, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
H. Jesse Arnette
Dian Blomquist
Haig Mardikian

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and the following was absent:

Walter S. Newman

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were John Jackson, A. Mason Blodgett; Ocie Mae Rogers, Joint Housing Committee; Noni Richen, Beideman Area Neighborhood Group; John Elberling, Tenants and Owners Development Corporation (TODCO); Pleasant Carson, Jr., Western Addition Project Area Committee (WAPAC); and Eileen Henriques, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of April 12, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of April 19, 1983, as distributed by mail to the Commissioners, be approved.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that the approval of the Closed Session minutes of March 22, 1983; April 4, 1983; and April 19, 1983 be held for one week. There being no objection, it was so ordered.

REPORT OF THE PRESIDENT

President Lee reported to the Commissioners on the following matter.

- (a) Commissioner Newman has undergone eye surgery and is expected to leave the hospital tomorrow to recuperate at home for a few weeks.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton will not be attending today's meeting as he is preparing reports to the Mayor on Yerba Buena Center.
- (b) Since permits to occupy were issued for the first 94 units at Northridge on Friday, April 22, forty families have moved in. Full occupancy in the first section is anticipated by the end of this month.
- (c) A Public Hearing on Needs is being held tonight at 7 in the Board of Supervisors' Chambers for the 1984 CDBG.

UNFINISHED BUSINESS

- (a) and (b) Resolution Nos. 82-83 and 83-83, requests approval of the Design and Owner Participation Agreement with Van Ness Center Associates for development of Block 690, Lots 13, 14 and 15 bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets in the Western Addition A-2.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Items (a) and (b) would be continued for one week at the developers' request. There being no objection it was so ordered.

- (c) Public Hearing to hear all persons interested in the Assignment of Interest of Parcel 767-A/B; Western Addition A-2.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Third Amendatory Agreement for Parcel 767-A/B; Western Addition A-2.

President Lee opened the public hearings to hear all persons interested in these matters.

Resolution No. 54-83, requests authorization of the assignment of interest of the State of California in the combined Land Disposition and Owner Participation Agreements (LDA/OPA) to the San Francisco State Building Authority for the parcels located in the block bounded by Golden Gate, Van Ness, Franklin and McAllister in the Western Addition A-2, and Resolution No. 112-83 requests authorization of a Third Amendatory Agreement of the LDA/OPA with

NEW BUSINESS (continued)

the State Building Authority, which revises the disposition price and amends the performance schedule.

Mr. Kernan reported on items 8(c) and 9(a) as follows. In June 1981, an LDA/OPA was authorized with the State of California, which proposes to construct a 210,000 square foot office building and a two level subterranean garage. By October 1981 the State was ready to bid the construction contract, however, the State Department of General Services determined that it lacked the funds to go forward and the Governor ordered a moratorium on all allocation of tax revenues for capital expenditures including funds to construct the State Office Building. Because of this moratorium, extensions of time were granted in order to find alternative methods of financing. Staff investigated and found that the creation of a joint powers authority was a satisfactory financing vehicle. The San Francisco State Building Authority has been created for the express purpose of constructing the State Office Building. The State is now requesting its interest in the LDA/OPA be assigned to the Authority. The Authority will also be acquiring a portion of Redwood Alley from the City and the balance of the development site from the State. Upon completion of the building, the State will lease the building from the Authority for 30 years after which title will vest in the State. The Third Amendatory establishes a new purchase price of \$5,007,500 for the parcels being purchased from the Agency and the State has accepted this price. Also an extension of the performance dates will allow the Authority time to assemble the site and market tax-exempt revenue bonds to finance the development. Submission of Evidence of Financing would be revised from February 1983 to August 1983 and Conveyance from March 1983 to September 1983.

Mr. U. J. Montgomery, WAPAC, inquired if the Authority is bound by the Agency's affirmative action requirements and Mr. David Oster, Assistant Agency Counsel, indicated that by accepting the assignment of the LDA, which affirmative action requirements are included, the Authority is bound by those provisions.

There being no further persons wishing to appear in connection with these matters the President declared the public hearings closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-83 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Rehabilitation of Parcel 728-F; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 113-83, requests authorization of an Agreement for

NEW BUSINESS (continued)

Disposition of Land (LDA) with James J. Doherty for the purchase and rehabilitation of 1329 Pierce Street located on the westerly side of Pierce Street between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In June 1982 Exclusive Negotiations were authorized and subsequently extended in August 1982 for Mr. Doherty who proposes to subdivide the building into seven condominium units at his expense while title remains vested in the Agency, then to purchase and rehabilitate the units and finally, to grant the Agency an assignable option to purchase the rehabilitated condominium units at predetermined prices within the moderate income sales price limits set by the Department of City Planning. The Agency's purchase option would be assignable to households selected by the Agency with first preference given to certificate holders. All of these terms have been incorporated into the LDA, which also fixes the sales prices of the units after rehabilitation at \$67,500 for the one-bedroom units and \$82,000 for the two-bedroom unit. The published LDA specifies that the take-out financing commitment the Developer is required to obtain must be for at least 90% of the purchase price of the units and for 30 years. Further, if the Developer is unable to obtain such a commitment he will provide such financing with his own funds. In order to stay within the required sales price constraints, the Developer's profit margin is only 9%. Given the narrow profit margin, the Developer is not willing to enter an Agreement which requires him to provide take-out financing if the market is such that he is unable to obtain a take-out commitment which meets the 90%/30-year terms. The Developer has requested language in the published version of the LDA be changed to allow him to return to the Commission for approval of alternative take-out financing terms upon staff's satisfaction that a 90%/30-year commitment is unavailable. If approval is not obtained the developer could request termination without forfeiting his performance deposit. The Developer believes that the desired take-out commitment terms are available now and expects to begin working to obtain a commitment as soon as the LDA is approved. He has made preliminary arrangements to have the condominium subdivision maps prepared and has met all other requirements of the exclusive negotiations. Staff believes that the requested change is reasonable. The Schedule of Performance provides for Submission of Evidence of Financing by November 1, 1983; Submission of Final Subdivision Documents by November 22, 1983; and Close of Escrow no later than December 13, 1983.

There being no persons wishing to appear in connection with the matter President Lee declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-83 BE ADOPTED.

- (c) Resolution No. 114-83, requests authorization to further market the Affordable Condominium units in the Western Addition A-2 in an amount not to exceed \$3,600.

NEW BUSINESS (continued)

Mr. Kernan reported on item (c) as follows. The marketing program for the Agency's Affordable Condominium Program was approved in September 1982. Following that action, staff proceeded by the placement of advertisements in several local newspapers, and brochures were distributed at open house sessions and at the Agency office as well. The response was rather sizable; however, this effort resulted in a shortfall of applicants for 3 bedroom units and in January 1983 the Commission authorized one additional expenditure for newspaper ads which unfortunately showed no significant results. Staff met with the marketing consultant to determine what the problem was in attracting buyers for the three bedroom units. For the Endicott Court units, it was determined that the generally smaller unit size and the undesirable features, such as lack of parking, storage space, shared laundry facilities and the high monthly taxes and homeowners association dues were discouraging factors. After much discussion it was the consensus of staff and the consultant that alterations be made to the original program: change Agency occupancy rules so that smaller families with at least one child would be eligible for the program in Endicott Court only; adopt the City's bond program income limits based on 150% of median income for a family of four, plus a 7% inflation factor to offset the age of HUD's existing limits, issued in October 1981. In order to implement the suggested solutions, the requested \$3,600 will be used for preparation and production of 55,000 one page flyers; 49,000 to be distribution door to door in various neighborhoods of the City, and 6,000 to be mailed to certificate holders and rehabilitation lists. Rejected applicants who would qualify if the new rules are applied will be contacted before these expenditures are made.

Mr. U. J. Montgomery, WAPAC, requested the Agency consider WAPAC's proposal before marketing the units. Mr. Kernan indicated that he believed the proposed modified program as presented tonight was appropriate, but staff will look at WAPAC's proposal for future rehabilitation programs to see if it is applicable.

President Lee indicated that the taxes and homeowners association fees are very high and requested these items be looked at again to see if there was a way to lower them and Mr. Hunter Johnson, Chief of Rehabilitation, indicated they would restudy those costs.

Ms. Noni Richen, Beideman Area Neighborhood Group (BANG), and Ms. Eileen Henriques indicated their approval of this item.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-83 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in the sale of 31 condominiums; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

NEW BUSINESS (continued)

Resolution No. 115-83, requests authorization to sell the 31 condominium units included in the Affordable Condominium Program in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. The Commission has previously approved the method of sale and financing of 31 condominium units which are located in five developments. Purchasers have been selected through a lottery process and applications submitted to First Nationwide Savings for approval. In order for First Nationwide Savings to sell the loans to Federal Home Loan Mortgage Corporation, at least 51% of the units within each development must be sold simultaneously. Based on the loan approvals received and anticipated and the unit selections of these individuals, staff expects to convey the first units within the next 30 days. Accordingly, it is necessary to complete the selection and disposition process by holding the required public hearing and formally approving the sale of the units. Each buyer will be matched up with a specific unit as that buyer is qualified for a loan.

There being no persons wishing to appear in connection with this matter, President Lee declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-83 BE ADOPTED.

- (e) Public hearing to hear all persons interested in a Land Disposition Agreement for Parcel 3733-D; Yerba Buena Center.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 116-83, requests authorization of an LDA with TODCO/YBC II, a nonprofit corporation affiliated with the Tenants and Owners Development Corporation, established to develop Ceatrice Polite, for the parcel located on the southerly side of Clementina Street, 80 feet westerly of Fourth Street in the Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. In May 1973 the Commission designated TODCO as the community-based sponsor of housing for the elderly on four sites in the Yerba Buena Center, which action was taken pursuant to the terms of the Settlement Agreement in connection with the TOOR vs. HUD, et. al. lawsuit. The development will consist of 91 units of low-income housing for the elderly in a 9-story concrete structure with 2,000 square feet of neighborhood support retail on the ground floor. Rents will be subsidized by HUD under the Section 8 Housing Assistance Payment Program. TODCO has obtained a loan commitment from HUD under Section 202 engaging the architectural services of Robert Herman Associates and successfully completing all planning for construction. In addition to this loan, the City will advance

NEW BUSINESS (continued)

\$3,500,000 from hotel tax funds to pay the difference between the maximum loan that HUD will grant and the actual cost of the project, which funds are pursuant to the Settlement Agreement. Since HUD has agreed to supply a \$5,500,000 loan, thereby relieving the City of its obligation, the City has agreed to add sufficient funds to that to pay total development costs, thereby assuring construction of the project. Following the loan closing, the Agency will have no further involvement in the Ceatrice Polite project other than its occupancy priority program, which provides first priority to tenants displaced by Agency or City actions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-83 BE ADOPTED.

- (f) Resolution No. 117-83, requests authorization of an Owner Participation Agreement (OPA) with Gianni, Virginia, and John Pasini (owners) for the property located at 1940-50 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. This is a three-story, six unit residential structure with basement which was recently acquired by the owners who propose to participate in the Agency's Rehabilitation Program in accordance with the Western Addition A-2 Plan. As the rehabilitation work is substantial, rehousing of the tenants is required to permit the rehabilitation to proceed. Agency rehousing staff will in conjunction with the owners provide rehousing assistance for the tenants. New housing resources with a priority to vacancies in Moderate Priced Private Housing and moving benefits will be provided in accordance with Federal Regulations. Plans for the rehabilitation have been submitted and are currently under review by Rehabilitation Staff and the City's Building Inspector. Upon approval of the submitted requirements, the owners plan to begin rehabilitation within 30 days and complete the work within 10 months. All rehabilitation improvements will be privately financed.

Ms. Blomquist inquired if these units will remain rentals and Mr. Hunter Johnson, Chief of Rehabilitation, indicated that is his understanding.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-83 BE ADOPTED.

- (g) Resolution No. 118-83, requests authorization to obtain insurance coverage from A. Mason Blodgett & Associates Insurance Brokers for eight buildings to be rehabilitated in the amount of \$11,550 for a one year period.

Mr. Kernan reported on item (g) as follows. Last month staff solicited proposals from brokers for insurance on these buildings and four proposals were received with the lowest quotation from A. Mason Blodgett & Associates Insurance Brokers. The insurance

NEW BUSINESS (continued)

carrier is American International Group, a subsidiary of National Union Fire Insurance Company, and has an excellent rating.

Mr. King inquired if the Carrie Company responded to the solicitation for bids and Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated no. As discussed with Mr. Carrie, the Agency requires the insurance carrier to have at least an "A" rating and the Carrie Company's carrier did not have that rating.

Ms. Blomquist requested a status on the properties to be insured and Mr. Hunter Johnson, Chief of Rehabilitation, gave a status report on each building.

President Lee inquired if all eight buildings are occupied and Mr. Johnson indicated only three of the buildings are occupied.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-83 BE ADOPTED.

- (h) Resolution No. 119-83, requests authorization of a Third Amendment to Agreement for Legal Services with the law firm of McDonough, Holland and Allen which increases the maximum amount payable by \$50,000 and raises the hourly billing rate for various personnel in connection with the Yerba Buena Center.

Mr. Kernan reported on item (h) as follows. The McDonough, Holland and Allen firm has been providing excellent service to the Agency under this contract through one of its partners, Joseph Coomes, Jr. Mr. Coomes has served the Agency's need for specialized legal advice as a member of the core negotiating team for the Central Blocks development in YBC. Except for a small amount, funds have now been expended. The amendment will also increase the hourly billing rates for certain attorneys and paralegal services; however, Mr. Coomes' billing rate will not change. The rates charged by the firm are fair and reasonable, and the Agency's Legal Division believes that the modest increases are appropriate.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-83 BE ADOPTED.

- (i) Resolution No. 120-83, requests authorization of the issuance, sale and delivery of Mortgage Revenue Bonds in an amount not to exceed \$40,000,000 for the development of St. Francis Place, located on the parcel at Third and Folsom Streets, by Taysan-Lincoln Associates, and approving related documents in connection with the Yerba Buena Center Project.

Ms. Blomquist indicated her concern that the low-to-moderate income requirement would only be for ten years. Mr. Kernan indicated that ten years is a requirement of the bond program and when the bonds are paid off in ten years that will no longer be a requirement.

NEW BUSINESS (continued)

However, staff is working with the developer to see what might be done when they convert the development to condominiums to assist those in the low-to-moderate income category.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (i) would be continued for one week at the developers request. There being no objection, it was so ordered.

- (j) Resolution No. 121-83, requests authorization of a Professional Services Contract with Birr, Wilson Company, Inc. for Financial Advisor/Bond Underwriter services for Phase I of the South Beach Small Boat Harbor in the Rincon Point - South Beach.

Mr. Kernan reported on item (j) as follows. The Small Boat Harbor Project is in advanced design and staff is anticipating start of construction by early fall 1983. In January 1983 the Commission was advised of various elements to be accomplished in order to begin construction and one of those elements was obtaining the services of a Financial Advisor/Bond Underwriter to analyze financial needs, market conditions, and to structure a prospectus to obtain funds from the market place. After careful review and screening of the proposals and qualifications submitted by thirteen firms and interviews by a panel of principal staff, staff concluded that Birr, Wilson Company, Inc. is the most qualified firm to provide this service. Birr, Wilson was the only firm to have demonstrated a lead financing responsibility for a similar project (Brisbane Marina) and their approach to obtaining financing is very positive. Compensation for these services will be made from the financial proceeds in accordance with industry standards and will amount to 1% to 2% of the bond amount depending upon the type of financing obtained and the market conditions at the time.

President Lee inquired if the fee for the services of from 1% to 2% is the typical amount requested, and Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, indicated that this firm has now revised their fees downward.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Leo Borregard, Agency General Counsel, indicated that on or before Friday, April 29, 1983, the Agency received an acceptance of Resolution No. 96-83 and the extension material executed by Ms. Beverly Willis required by Resolution No. 95-83, but did not receive the extension material executed by O & Y Equity Corp. and Marriott Corp. required by Resolution No. 95-83 until Monday morning, May 2, 1983 (with a delivery attempted in the morning of April 30, 1983), even though it was deposited for next day delivery with the U.S. Postal Service at 5 p.m. on Thursday, April 28. It is

MATTERS NOT APPEARING ON AGENDA (continued)

therefore requested that the Commission pass a motion for purposes of the extension granted by Resolution No. 95-83, that it is determined that the delivery of the executed extension material by O & Y Equity Corp. and Marriott Corp. was timely and that the extension is in full force and effect.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT FOR THE PURPOSES OF THE EXTENSION GRANTED BY RESOLUTION NO. 95-83, IT IS DETERMINED THAT THE DELIVERY OF THE EXECUTED EXTENSION MATERIAL BY O & Y EQUITY CORP. AND MARRIOTT CORP. WAS TIMELY AND THAT THE EXTENSION IS IN FULL FORCE AND EFFECT.

NEW BUSINESS (continued)

- (k) Resolution No. 122-83, requests authorization to add the Assistant Agency Counsel as a check co-signer of the Agency's present bank accounts.

Mr. Kernan reported on item (k) as follows. In order to have adequate check co-signers available when required and to maintain a procedure of internal control, we have established three co-signers from the Fiscal Division and three co-signers from other than the Fiscal Division. Each check requires two signatures, one, and one only, of which must be from other than the Fiscal Division. The retirement of the Assistant to the Executive Director left the Agency one co-signer short and staff now wishes to add the Assistant Agency Counsel to fill this void.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6 p.m.

Respectfully submitted,

Patsy R. Oswald
Secretary

APPROVED

June 7, 1983

NEW BUSINESS (continued)

However, staff is working with the developer to see what might be done when they convert the development to condominiums to assist those in the low-to-moderate income category.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (i) would be continued for one week at the developers request. There being no objection, it was so ordered.

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President Lee inquired if the fee for the services of from 1% to 2% is the typical amount requested, and Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, indicated that this firm has now revised their fees downward.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

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MATTERS NOT APPEARING ON AGENDA (continued)

therefore requested that the Commission pass a motion for purposes of the extension granted by Resolution No. 95-83, that it is determined that the delivery of the executed extension material by O & Y Equity Corp. and Marriott Corp. was timely and that the extension is in full force and effect.

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NEW BUSINESS (continued)

- (k) Resolution No. 122-83, requests authorization to add the Assistant Agency Counsel as a check co-signer of the Agency's present bank accounts.

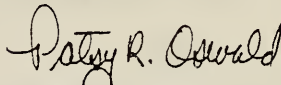
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ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnette, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

June 7, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF MAY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of May, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Charlotte Berk
Dian Blomquist
Haig Mardikian

DOCUMENTS DEPT.

and the following was absent:

AUG 29 1983

Walter S. Newman

SAN FRANCISCO
PUBLIC LIBRARY

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were P. M. Sprincin, Suttermore/R.P.P.; Ocie Mae Rogers, Joint Housing Committee; Mary Helen Rogers, Pleasant Carson, Western Addition Project Area Committee (WAPAC); Nicola E. Smith, Kimball Park; Ilene Weinreb, Bay Area Council; Sue Hestor, S.F.R.G.; Grant DeHart, Heritage; Peter Park, Campeau Corporation; John Igoe, Lincoln Properties; and Eileen Henriques and Rita Dorit, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; E. Cahill Maloney, San Francisco Progress; and Evelyn Hsu, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of March 22, 1983 as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the closed session of April 5, 1983 as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of April 19, 1983 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is in New York meeting with Olympia and York officials and ratification of his travel is the subject of an agenda item tonight. Mr. Hamilton is expected back in the office tomorrow.
- (b) Congratulations to Ms. Mary Rogers, who was presented with the Rosa Parks award in Buffalo last Tuesday, May 3 at the 18th Annual Convention of Women in Community Service and also condolences to Ms. Roger's who's mother passed away.

UNFINISHED BUSINESS

- (a) Resolution No. 82-83, requests granting an approval of architectural design to the Van Ness Center Associates, a partnership consisting of Chevron Land and Development Company and Grosvenor Fund, for the parcels bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Van Ness Center Associates proposes to construct approximately 88,000 gross square feet of commercial and office space contained in a podium structure at street level and approximately 220 units of market-rate condominiums in the two tower buildings on the upper floors with the required off-street parking basically below grade. The height of the retail and office portion of the development will be approximately 50 feet. The proposed height of the west residential tower is approximately 180 feet and that of the east tower is approximately 130 feet. The Franklin Street corner will contain a new Chevron service station. Staff has reviewed the architectural design for the proposed development and there are some design concerns which will require resolution by the developer, Van Ness Center Associates, during the next phase of design work. (Staff will outline those concerns after the developer's architectural design presentation). The City Planning Department staff in reviewing the project design, has indicated that the 180 foot high building would fit within the transitional height envelope guidelines that are currently being finalized for presentation to their Commission. Design questions that they had regarding the project have been incorporated into the overall list of design concerns. Staff believes that to enable the project design work to proceed, the original architectural design concept for the Van Ness Center Associates' project should be approved subject to satisfactory resolution of the design concerns as outlined in the memorandum to the Commission.

Mr. Jeffrey Heller, architect for the Van Ness Center Associates development, went through a description of the project and the design concerns.

UNFINISHED BUSINESS (continued)

Mr. Pleasant Carson, Executive Director, WAPAC, noted his concerns about the development. President Lee indicated there had been a Workshop on this item sometime ago, and inquired if Mr. Carson had addressed his concerns then and Mr. Carson indicated he believed some were addressed at that point, but he had just seen the drawings a couple of months ago, and didn't feel they had the chance to sit down with the architect or developer and workout those concerns.

President Lee inquired if some of these concerns could be resolved between WAPAC and the Architects office and Mr. Kernan indicated he understood this is a personal position of Mr. Carson's, as WAPAC usually does not take a position on the architectural design per se and believed it helpful if the public could hear the staff's concerns as a group and then if there are additional questions those could be addressed.

Mr. Edmund Ong, Chief of Architecture presented staff's critique of the design.

President Lee inquired if staff's concerns had been discussed previously with the developer and Mr. Ong indicated affirmatively.

Mr. Nat Taylor, Van Ness Center Associates, indicated the concerns, as pointed out by Mr. Ong, were discussed and he feels they can be resolved. Also a presentation to WAPAC has been made twice, the last one on March 10, and at that time no design issues were raised.

Ms. Ilene Weinreb, Bay Area Council, spoke in favor of this development.

Ms. Mary Rogers, WAPAC, inquired who the participants are for this development and will they stick to the commitment for affirmative hiring and Mr. Kernan indicated there are two major participants; Chevron Land and Grovesnor Fund and Mr. Nat Taylor is the owner's representative. As to the second question, on Affirmative Action, it is in the Owner Participation Agreement (OPA) and generally is in conformity with the Western Addition requirements, although in this case, it is not a requirement, since it is an OPA. As it applies to construction, a goal has been established to hire up to 50% of the residents. As it applies to consultancy, they have agreed to make an effort in their architectural firm using the Manpower Training Program. They have not agreed to a program that would have been required, if it had been a sale of land to them.

Ms. Blomquist inquired if this is the same Affirmative Action Plan that the Agency uses for everybody and Mr. Kernan indicated affirmatively for construction.

Mr. Arnelle inquired how many jobs will be created and Mr. Taylor indicated the contractor for this development, Perini Corp., has estimated 90 full-time jobs during construction. Mr. Arnelle inquired how many preconstruction jobs would there be and Mr. Taylor

UNFINISHED BUSINESS (continued)

indicated about 25 during the peak of activity. Mr. Arnelle indicated that is about 120 people and Mr. Taylor indicated affirmatively, at times it would be less and other times more.

Mr. Carson indicated that it should be 50% from inception to completion. Mr. Arnelle inquired if there wasn't some way the desires of WAPAC can be worked out because he believes a moral commitment has been made by the developer on the Affirmative Action program. Mr. Carson indicated he was willing to meet with the developer. Mr. Heller indicated they have an ongoing Affirmative Action Program and would be happy to continue it with regard to this job.

President Lee indicated that Mr. Carson should give Mr. Heller a list of those engineer's he mentioned that were out of work and Mr. Heller indicated he would be glad to look at this list, as they have an ongoing program in that area.

Ms. Blomquist indicated she has some major concerns regarding the 50 extra feet the developer is requesting, as the City Height limit is 130 feet, though the Redevelopment Agency can go as high as it wants. She noted she had raised these questions at the September workshop and did not see why this developer should get an economic benefit of the 50 extra feet. The neighborhood is a low-rise character neighborhood and she thought the Agency had stopped going around the City Planning process. She did not see any benefit to the City or the Agency, as there is no affordable housing units in this project, they are all market rate.

Mr. Kernan indicated that staff had no intention of going around City Planning and he read a letter from Mr. Dean Macris, Director of Planning, approving the 180 foot height limit. The Commissioner is right in saying the Redevelopment Agency has a height limit that is judgmental rather than absolute, however, staff believes they are working with City Planning staff, recognizing that Mr. Macris's letter is one of opinion at this point.

Ms. Blomquist indicated that the neighborhood has not had a chance to comment on this development, as the Redevelopment Agency does not have the same process that City Planning does when they go through their zoning changes and believes it a mistake to deviate from that plan without the public process.

President Lee inquired if Hemlock Street would be a one-way or two-way street, and Mr. Heller indicated it will be a two-way street. President Lee inquired if the street cost will be borne by the developer and Mr. Heller indicated affirmatively, including the maintenance. President Lee inquired if there are any residents across from the proposed plaza, as he was concerned about the ingress and egress on Hemlock, as it would relate to the safety of children living there and Mr. Heller indicated to the best of his knowledge there are no residents on that side. President Lee

UNFINISHED BUSINESS (continued)

indicated that having the podium and the tower on the same plane means there is no set back. Mr. Heller responded that each tower steps back on the east and west and also on the court yard prospective on the north west where the tower notches are on a different plane, the notes of the base where they come down to the podium and you can see the trees where that happens. There is a couple of places where it does not step back and that is just the design counter point and the developer will work with staff on the design relationship between the two, but roughly two-thirds to three-fourths of the building does step back away from the podium.

President Lee indicated he did not see any set back on Hemlock Street and could only see it on Van Ness Avenue and Mr. Heller indicated that there is a set back except where the very narrowest portion that comes straight down, which is a deliberate design intent and believed staff's problem is not with that, but rather with the design of where the tower and the base meet. But there is a step back on either side of the thin part of the shaft that does come all the way down and he believed that Mr. Ong is referring to is how the developer articulates where that tower meets that base at that particular point.

President Lee indicated that in the past this Agency has approved a number of projects without really looking at the exterior of the building, namely, the skin treatment and unfortunately a good number of those buildings are not what this Commissioner would like to have and Mr. Ong indicated that a final design would be submitted for Commission review before the final choosing of the exterior. Mr. Heller indicated that they always work closely with staff of public agencies to make sure all the design details, the material selections, and all the refinement of the plan are collectively reviewed as they develop.

Ms. Berk indicated she appreciates the fact that the Commission is getting to discuss design at this stage in a public meeting and believed this is one of the things they have been working toward because it is recognized they have done things differently and that they don't live by the City Planning Rules, but want to achieve the same effect. She agreed with Ms. Blomquist that the height limit is part of the City plan that has gone through the public process and been adopted and is something she is respectful toward. Ms. Berk inquired if the extra 50 feet was not permitted, is it possible for the developer to achieve this same amount of useable space while staying within the City Planning limits. Mr. Ong indicated they could, but it would be in a different envelope. Then the question is which is the preferable design, two sort of square towers at 130 feet or the more articulated plan they are proposing. Ms. Berk inquired if that was looked at as a possibility and Mr. Ong indicated affirmatively. Ms. Berk inquired if staff's recommendation was negative and Mr. Ong indicated that the Agency's belief is that this articulated tower plan that they are proposing even though, at least for the Franklin Tower, exceeds the planning code height limit is a preferable design approach to the one that would just stay within the planning code guidelines, at least for that one tower.

UNFINISHED BUSINESS (continued)

Ms. Berk indicated that as Mr. Ong was enumerating the staff's concerns they sounded like the ones enumerated at the Workshop and Mr. Ong indicated affirmatively. Ms. Berk inquired if there had been any attempt to address them or at what point they will be addressed. Mr. Ong indicated that these are items he sees being addressed during the design development phase of the architectural work. Ms. Berk inquired if the approval at this point is just the massing and the placement and Mr. Ong indicated affirmatively and the basic design approach.

Mr. Mardikian indicated it is not clear to him what the Commission is approving. If approved, is the Commission relinquishing any further input to the design and will it be as it appears today, amended only to the extent that staff is able to effect some changes along the lines that they have suggested. Mr. Kernan indicated that staff will bring the final design back to the Commission for approval.

Mr. Mardikian inquired why the motion says approving design of Van Ness Center Associates and Mr. Kernan indicated that at this point the Commission would be approving the configuration of the building. Mr. Mardikian indicated it does not say that and Mr. Kernan responded it could be modified to say that. The intention was basically the design concept is acceptable and what will happen next is design refinement and selection of skin materials and colors. Staff will return to the Commission with all of the refinements. The language of the resolution can be modified in any way that would make it consistent with that thought.

Mr. Mardikian indicated he was concerned that by approving this resolution the Commission was giving final approval to the design, as he saw staff's concerns more significant than just minor modifications and wanted to make sure they would be made. Mr. Borregard indicated that this resolution would be approving a design concept with concerns which are to be satisfied and if not satisfied the approval would be of no force or effect.

Mr. Kernan suggested that the resolution be amended to include wording that staff would return to the Commission for final design approval.

Ms. Blomquist inquired if the open space on the podium was accessible to the public or just to the residents and Mr. Heller indicated just to the residents, there is public open space in the public galleries on both the Van Ness and Post Street levels.

Ms. Sue Hestor, San Franciscans for Responsible Growth, indicated she had concerns about the lack of open space for office workers and for people who pass through the area and noted that the Planning Commission is starting to address that as a possible requirement and believed this Commission should also be looking at that aspect. She also noted her concern about the development exceeding the height limit by 50 feet without due process of public comment.

UNFINISHED BUSINESS (continued)

President Lee noted that this Commission has a policy to consult with the Planning Commission and their staff on major redevelopment projects and their opinions, plus public comments are considered.

Mr. Kernan suggested that the Executive Director and Chief of Architecture determine at what point the design is sufficiently complete to bring back to the Commission for final approval.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING THAT RESOLUTION NO. 82-83 BE ADOPTED AS AMENDED THAT WHEN THE EXECUTIVE DIRECTOR AND CHIEF OF ARCHITECTURE HAVE DETERMINED AT WHAT POINT THE DESIGN IS SUFFICIENTLY COMPLETE IT WILL BE SUBMITTED FOR THIS COMMISSION'S FINAL APPROVAL, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arneille
Ms. Berk
Mr. King
Mr. Lee
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT DECLARED THE MOTION CARRIED.

- (b) Resolution No. 83-83, requests authorization of an Owner Participation Agreement with Van Ness Center Associates for the development of the parcels bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets in the Western Addition A-2, which development was described in item 8(a).

Mr. Kernan reported on item (b) as follows. Van Ness Center Associates is a partnership to be formed and is not presently the owner of the site. Chevron Land and Development Company owns a portion of the site and Van Ness Center has an option to purchase the balance. A provision has been inserted in the OPA that indicates if Van Ness Center is not the record owner of the property before December 31, 1983 the Agency may terminate the OPA. In addition, Van Ness Center has the right to terminate the OPA by giving written notice to the Agency. Construction is expected to commence by June 1985 and completion in December 1987. The developers propose to use the "Fast Track" method to better this schedule. As an owner who is not being sold any land by the Agency or using government financing, an Affirmative Action program from the owner is voluntary. However, staff was able to place trainees from the Bay Area Engineering Society's Committee for Manpower

UNFINISHED BUSINESS (continued)

Training program with their architects. The affirmative action language covering all phases of construction has been accepted by the Owner. Van Ness Center Associates will assume all obligations to clear the improvements from the site with no site work required by the Agency.

Ms. Mary Rogers, WAPAC, inquired how many tenants remain on the site and Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated two commercial tenants: Healds Business College and BMW Motors. Ms. Rogers inquired what roll the Agency will take in relocating the tenants and Mr. Mills indicated the Agency will administer the relocation benefits and the Owner Participant will pay the cost.

President Lee indicated that Van Ness Center Associates has an option to purchase the entire portion of the land, aside from Chevron Land, which property must be on record by December 31, 1983, and inquired if that is the length of the developer's option.

Mr. Taylor indicated that the Grosvenor entity has exercised its option and now holds record title to the property.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 83-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Berk
Mr. King
Mr. Mardikian
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (c) Resolution No. 120-83, requests authorization of the issuance, sale and delivery of Mortgage Revenue Bonds in an amount not to exceed \$40,000,000 for the development of St. Francis Place, Parcel 3750-A, at Third and Folsom Streets, by Taysan-Lincoln Associates, and approving related documents in the Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. An LDA with Taylor-Woodrow was originally approved on November 17, 1981 and amended on March 23, 1982. On October 19, 1982 the Commission approved assignment of the LDA as amended to a partnership of

UNFINISHED BUSINESS (continued)

Taylor-Woodrow and Lincoln Properties, Inc. known as Taysan-Lincoln Associates (Developer). The Developer intends to be ready for conveyance by May 17, 1983 and if not, the Agency will reappraise the property and establish a new land value. The developer has requested the use of Agency SB-99 financing and an inducement resolution was approved on November 9, 1982 expressing the Agency's intent to issue Mortgage Revenue Bonds or notes to finance the residential and commercial facilities of the development. Staff now recommends that the Agency act as issuer of SB-99 financing, and in order to qualify, 20 percent of the 398 units must be set aside exclusively for rental by persons and families of low-to-moderate income for a minimum of 10 years. As is usual in Agency SB-99 financings, the bonds will be special obligations of the Agency, payable only from revenues of this issue and will not be a debt or liability of the City. All costs of issuing and administering the bonds will be paid from the bond proceeds, and the Agency will receive a Financing Fee in the amount of 1 percent of the Bond Issue.

Mr. John Igoe, Lincoln Properties, explained the program the developer is proposing to provide at the time the developer sells the units as condominiums. The needs of the tenants are considered to be two-fold: down payment assistance and a reduction in the sales price. To that end it was suggested that all of the 79 units, which are 20% of the low-to-moderate, will go on a lease purchase basis for the last year of residency and one-half of the rent would be applied to the down payment of the unit. Additionally, all 79 of units would be discounted 5% from the current market price at that time. For those units that the occupants do not want to buy, they would be offered back to the Agency with a discount in the purchase price. The Agency could then fill those units with individuals who do qualify as low-to-moderate income.

Mr. David Oster, Assistant Agency Counsel, indicated that a clarification was needed regarding the agreement the developers have made concerning what happens when the units are sold as condominiums. Because the bonds will no longer be outstanding at the time the units are sold as condominiums, the agreement cannot be part of the bond documents. Staff is working with the developer to prepare a separate agreement and the bond documents will not be executed until those arrangements have been made, although they will not be part of the bond documents. Also, Mr. Oster updated the memo to the Commission in regard to some of the parties to the transaction as follows: Wells Fargo Bank will be the issuer of the Letter of Credit for the developer and also the servicer of the loans to the developer on behalf of the Agency. In addition, Security Pacific National Bank will act as Trustee regarding the bonds.

Ms. Blomquist indicated that she had concerns about the program Mr. Igoe had just put forward. The developer is using SB-99 tax-exempt bond financing to build rental units, which she believed

UNFINISHED BUSINESS (continued)

was wonderful. However, when the developer converts to condominiums they are getting around the City's conversion law. Most people in the low-to-moderate income group could not afford to buy the units. The developer will be benefitting twice from the Agency: once from SB-99 and again when the units are converted to condominiums and sold.

Mr. Igoe clarified that the units would be built as condominiums now, but rented for at least ten years; rather than built as rentals and later converted. Mr. Igoe indicated they presently have the right to develop and sell St. Francis Place as condominiums, and if that were done, there would be no low-to-moderate benefit at all on this project. The only provision that exists now is that for new condominiums, 10% of the units should be made available for low-to-moderate income if the subsidies are available, however, there are no subsidies available.

Ms. Blomquist inquired about the cost of a unit, and Mr. Igoe indicated the current value of an average sized unit in 1983 would be \$130,000. This figure will probably increase to \$295,000 in 1995.

Mr. Mardikian inquired what in the developer's opinion would be the likelihood of getting conventional financing to build a rental project without SB-99 and Mr. Igoe indicated extremely difficult.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK THAT RESOLUTION NO. 120-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Mardikian
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Mr. Arnelle
Ms. Blomquist
Mr. King

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT DECLARED THE MOTION FAILED.

Mr. Kernan requested the Commission reconsider this item, as there may be some misunderstandings that might be helpful to further discuss. This project is at its last hours, and if it is not approved, it will fail. Staff would urge that the Commission go forward with the program as presented.

UNFINISHED BUSINESS (continued)

Ms. Blomquist indicated the developer is aware there are some things which concern the Commission, and believed the developer could equally reconsider his position.

Mr. Kernan reminded the Commission that there is the inference that the developer is getting around the conversion ordinance and that is not the case, as under the LDA and under any City law they can develop the project as condominiums right now. They will be using SB-99 and for that must comply with requirements of 20% low-to-moderate units during the rental period. In addition, they have put forward a program regarding assistance to the low-and-moderate tenants upon termination of the rental period. If that aspect is troublesome, further dialogue is requested as to what the Commission would desire to see done. Staff, however, recommends going forward as the program has been presented.

Mr. Leo Borregard, Agency General Counsel, indicated there is a May 17 absolute conveyance date. Staff felt the program was desirable enough to proceed in order to get the 20% low and moderate income rental housing with a provision for some assistance upon resale to proceed. The developer in order to make that housing affordable under the bond program needs to maintain the price. The Off-Agenda item, which has not yet been heard, was designed to permit 30 days to sell the bonds after the 17th on the basis of a contract with the underwriter to purchase, otherwise there is no way this program can move forward at this time, even with SB-99 financing at a new price.

Ms. Blomquist indicated that her concern is when the rental units are converted to condominiums, the low-and-moderate income persons will not be able to afford them. If the developer would agree to the City's condominium conversion law, then she would reconsider and vote in favor of this item, because the windfall profit they would get from converting to condominiums would be passed back to some of the people who had been renting for the last ten years.

Mr. Igoe indicated that the City's Condominium Conversion Law allows for 10% of the units for low-to-moderate income and this developer would be providing this to 20% of the units. He believed their program to be over and above the City requirements. If the Commission would prefer to take the money this developer is offering and only apply it to 10% of the units instead of 20% they would have no objection.

Mr. Arnelle indicated that his concern is that he does not believe that in 10 years the low-to-moderate income people who are renting will be able to afford to buy what will then become a condo for \$290,000 and up, even with the last year's rent going towards the downpayment.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner, this item would be continued to the end of the agenda. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 123-83, requests authorization of a lease for the existing central office space at 939 Ellis Street, plus 22 parking spaces for the period July 1, 1983 through June 30, 1988.

Mr. Kernan reported on item (a) as follows. The present lease approved in November 1980 will expire June 30, 1983. The amount of the new lease will increase from \$.90 to \$1.30 a square foot for the 20,650 square feet now occupied and the parking spaces from \$15 to \$25 per space. The amount of the lease is subject to a PG&E escalation clause that if the Lessor's cost for PG&E service for the twelve months ended December 31, 1985 for the entire building exceeds the cost for the twelve months ended June 30, 1983 by 100% or more, the Agency agrees to an increase in rental effective January 1, 1986 equal to 35% of the increase. The 35% represents the approximate ratio of space occupied by the Agency to the building total. The Agency has also agreed to an energy utilization audit by PG&E and to implement those recommendations which Lessee and Lessor mutually agree are reasonably cost effective. The audit has been performed, but recommendations from PG&E have not been received. Termination rights are based on ability to obtain funding. If we wished to totally terminate at the end of three years, the termination cost would be about \$33,000, 5% of the remaining two years of the lease, which does not appear to be a serious risk. Staff informally surveyed the current market and believes the terms of the lease favorable.

Ms. Blomquist left the meeting at this time, 6:35 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 123-83 BE ADOPTED.

- (b) Resolution No. 124-83, requests authorization of a contract with the City and County of San Francisco which establishes the responsibilities for the administration of the Urban Development Action Grant (UDAG), for the Merchandising Methods, Inc. (MMI) development in India Basin Industrial Park.

Ms. Blomquist returned to the meeting at this time, 6:38 p.m.

Mr. Kernan reported on item (b) as follows. Although the Mayor is responsible for the administration and contractual control of this \$485,000 UDAG, Agency staff, in concert with the Mayor's Office of Economic Development, drafted an agreement between the Agency and City which delegates specific administrative tasks to the Agency. This agreement is similar to the one used to administer the Fillmore Neighborhood Commercial Development UDAG. As specified in the agreement, recaptured funds returned as a result of the repayment of the UDAG loan are pledged by the City to assist other eligible Redevelopment projects. This UDAG contains \$10,000 for administration of this project, which is to be allocated in whole or in part to the Agency. The contract specifies that the Agency and the City shall use these funds proportionately in accordance with

NEW BUSINESS (continued)

the respective administrative responsibilities. Unless otherwise agreed, the Agency shall have first access to 60 percent of the administrative expense funds allocated by HUD, or \$6,000.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-83 BE ADOPTED.

- (c) Resolution No. 125-83, requests authorization of a Seventh Amendatory Agreement for a 91-day extension to the LDA with Goodlett Management Corporation for the parcel located on the northeast corner of O'Farrell and Steiner Streets in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. In April 1981 an LDA was authorized with Goodlett Management Corporation for the development of 20 two-bedroom condominiums which will be built over a parking garage. The Fifth Amendatory authorized in December of last year established the new disposition price of \$201,000. When the Sixth Amendatory was authorized in February 1983, the Commission was informed of the addition of the Sprincin Company, Inc. as a partner because of its expertise in securing construction financing. In this regard, an offer to provide construction financing has been received. However, negotiations with the lender have been delayed because of design changes required by the lender. With issuance of a financing commitment eminent, the Developer has requested a three months' extension which will revise the performance dates for: Submission of Evidence of Financing from May 11, 1983 to August 10, 1983; and Close of Escrow from June 8, 1983 to September 7, 1983.

Ms. Eileen Henriques complained about the number of extensions the developers received and that this area is just a ghetto.

Ms. Mary Rogers, WAPAC, indicated support for this extension and requested the Commission vote in favor of this item.

Mr. Pleasant Carson, WAPAC, indicated support of staff's recommendation.

Ms. Blomquist indicated she underscored Ms. Henriques' frustration regarding this project and reminded the Commissioners that this is the seventeenth requested extension since October 1976.

Mr. Mardikian inquired of Mr. Sprincin how many more extensions he feels may be necessary and Mr. Sprincin indicated they believed this would be the last.

Ms. Berk indicated that Ms. Henriques is really saying the same thing WAPAC is saying, which is, they would like those vacant lots built with housing that people can afford to live in and then there would not be what Ms. Henriques calls a ghetto. Another comment Ms. Henriques made was why the Redevelopment Agency only deals with expensive condominiums and money making projects. Obviously this is because these are the projects that get themselves together and that

NEW BUSINESS (continued)

offer everything already made. The Agency is not in the development business and depends on private developers to come forth with development proposals that can fly and obviously the money making ones are the ones that are going to fly and the ones that are not money making are ones having great trouble. This is one of the reasons the Commission is giving every opportunity to the developers within the communities involved to get these things together and get them going.

Mr. Arnelle indicated he would vote for approval for this amendment because he believed Mr. Sprincin had demonstrated a willingness to commit himself to this development. He also shared with fellow Commissioners, Ms. Henriques and WAPAC's concern on those lots remaining vacant for so long.

President Lee inquired what progress had been made in the last three months.

Mr. Sprincin responded that progress is being made and if we continue to move forward a meaningful commitment should be made well within this extension.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-83 BE ADOPTED.

- (d) Resolution No. 126-83, requests authorization to regrant Exclusive Negotiations until July 1, 1983 with the Fillmore Group, Inc. for the development of the parcels in the block bounded by Webster, Fillmore, Eddy and Ellis Streets in the Western Addition A-2.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (d) would be continued for one week at the developer's request. There being no objection it was so ordered.

- (e) Resolution No. 127-83, requests authorization of an Agreement for Legal Services with the law firm of Orrick, Herrington & Sutcliffe for bond counsel legal services in an amount not to exceed \$30,000 in connection with the Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. The acquisition of the GSA site and the repayment of the HUD Loan and Grant Contract for YBC will require the Agency's issuance and possible refunding of tax-exempt bonds. In order to issue tax-exempt obligations, it is necessary that the Agency obtain the specialized legal services of bond counsel. Orrick, Herrington & Sutcliffe has provided excellent service to the Agency since 1978 regarding bonds issued under our Marks-Foran Loan Program in the Western Addition A-2 Project. They have also been providing occasional legal advice and counsel to the Agency in order to lay the necessary legal framework for future issuance of tax-increment financing in YBC. This firm has provided such services without a contract with the understanding that staff

NEW BUSINESS (continued)

would recommend that they be hired as bond counsel should tax-exempt securities involving tax-increment financing eventually be issued. Since the proposed YBC financing may include tax-increment financing, we are now recommending their employment. The firm is a nationally recognized bond counsel, very familiar with the Agency's program in YBC, and well qualified to perform the needed services. Their hourly rates are fair and reasonable and in accordance with those charged in San Francisco for similar services.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-83 BE ADOPTED.

- (f) Resolution No. 128-83, requests authorization to express the Agency's intention to issue bonds in an aggregate principal amount not to exceed \$29,000,000 or other evidences of indebtedness to secure funds for acquisition of the General Services Administration (GSA) property at 49 Fourth Street and to pay off the balance of the Loan and Grant Contract with the Department of Housing and Urban Development and approve a related budget amendment in connection with Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. The Agency's successful bid on the GSA property requires that the balance of \$15.7 million be paid no later than July 28, 1983, and in addition it is also necessary to borrow \$10.6 million to pay off HUD which will close out the YBC project for Federal fiscal purposes. Agency staff is arranging to borrow an amount not to exceed \$29 million through a publicly sold bond issue. Although there is land value in YBC nominally adequate to secure the bonds, bond purchasers require evidence of an additional repayment resource which staff is attempting to secure in the form of additional security from a commercial bank. As a condition of this additional security, the bank will require that the Agency agree to issue tax allocation bonds to refund the original bonds should that ever be necessary. The Agency's annual budget will also require an amendment to reflect such borrowings. The Agency's issuance and possible refunding of bonds, including the use of tax increment financing, also requires the Board of Supervisors' authorization. The Finance Committee's consideration is calendared for May 18, and the Full Board of Supervisors on May 23, 1983. The specific actions needed to implement the borrowing will be calendared for your consideration as soon as they are completed.

Mr. U.J. Montgomery, WAPAC, inquired how the closeout of YBC would affect the Agency's Certificate of Preference Program, and Mr. Kernan indicated it would have no effect on that program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-83 BE ADOPTED.

- (g) Resolution No. 129-83, requests authorization to negotiate directly and to expend up to \$6,000 in its marketing efforts for the sale of three development sites in the Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (g) as follows. Staff believes that the best development opportunities now are represented by specific users or developers which have tenant commitments. These types of developers are unwilling in today's development climate to undergo the time and expense of responding to an Agency Request for Proposals (RFP) which often requires six months commitment of significant effort. Parcel 3751-P located on Harrison and Lapu Lapu is the former NMU site and the preferred uses are office and retail. Parcel 3751-H located on the northeast corner of 4th and Harrison has a preferred use as a Supermarket and staff has been working with the South of Market Food Co-op in their efforts to develop this site for a Co-op Supermarket. Staff has advised them that they will be given an opportunity to respond to any marketing efforts for the site. Staff will also be soliciting interest from major supermarkets. Parcel 3763-A located on the southeast corner of Third and Harrison is the former Bridgemont High School Site with a preferred use of office or commercial. Hundley Hardware has expressed an interest and staff is pursuing that interest. Staff will work with the development proposal most responsive to YBC program objectives. When the proposals received are sufficiently defined they will be presented to the Commission for consideration. The \$6,000 will be used to publicize the availability of the properties, including utilizing the Agency's mailing list, advertising in local publications to insure general public awareness of the availability of the sites and contact developers directly to advise them of the development opportunities and availability of the parcels.

Mr. U. J. Montgomery, WAPAC, inquired if preferential consideration would be given to Certificate of Preference Holders from other project areas with respect to this offering, and Mr. Kernan indicated with all things being equal Certificate of Preference Holders would be given preference.

Ms. Blomquist emphasized the need to make this offering public, so no one can criticize the Agency that it was given to someone without the public knowing, and Mr. Kernan responded that staff would do all they can to make sure everybody knows.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-83 BE ADOPTED.

- (h) Resolution No. 130-83, requests ratification of travel of Wilbur W. Hamilton, Executive Director to New York City, New York, May 8 through 10, 1983 to meet with Olympia & York officials.

Mr. Kernan reported on item (h) as follows. In connection with the ongoing Olympia and York negotiations, a meeting was scheduled in New York City with the New York Olympia and York/Battery Park principals. The purpose of the meeting is to pursue guarantee assurances for the Yerba Buena Center Blocks' Program. Cost will not exceed \$900.00 and funds are available.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-83 BE ADOPTED.

President Lee announced that the meeting would be recessed for five minutes. The meeting recessed at 7:15 p.m. and reconvened at 7:20 with the same roll call.

At this time, President Lee inquired if there is a motion to reconsider item 8(c).

Mr. King indicated he would like to make the motion to reconsider, though reluctantly, because he agrees with the issues Ms. Blomquist is concerned with regarding conversion and what will happen to the low-and-moderate income people after the ten years. However, this Commission wants to see this development move ahead.

Mr. Kernan indicated that low-and-moderate income housing will be available to those people who meet the test of low-and-moderate income when they move in and there is no further economic test. It could well be that people's incomes will increase in those ten years before conversion and they would then be in an ownership position.

Ms. Blomquist indicated that staff should consider that the Commission is just not going to grant SB-99 in the future without getting something for it, as it is a tax-exempt situation and should have reasons to be tax-exempt.

MOTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. MARDIKIAN TO RECONSIDER ITEM 8(c) AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Berk
Mr. King
Mr. Mardikian
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

Mr. Arnelle indicated he still had concerns regarding granting SB-99 financing for this project and after ten years when the rentals are converted to condominiums, it is highly probable that those people will not be able to afford the units they are living in. However,

NEW BUSINESS (continued)

but for this particular proposal there would be no subsidized units at all within this project and there is a need to develop housing in the YBC area.

Ms. Berk indicated it has been a breakthrough to have market rate housing, especially rental housing which is a plus for this area, as TODCO has done a marvelous job with subsidized housing in YBC.

Mr. Ken Jones, Jones Hall Hill and White, indicated that it is extremely important that the Commission be aware that the Federal tax law requires that 20% must be rented to persons of low-and-moderate income, or the units have to stand vacant in order to ensure that that takes place. Consequences of that not happening are that the bonds will become taxable. So it is a matter of absolute unyielding importance that the 20% be enforced. He also noted that this is the first time he knows of that SB-99 has been used for rental housing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK THAT RESOLUTION NO. 120-83 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE" :

Mr. Arnelle
Ms. Berk
Mr. King
Mr. Mardikian
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 131-83, requests authorization of a Re-Entry Agreement in connection with the conveyance of Parcel 3750-A, southeast corner of Third and Folsom Streets, to Taysan-Lincoln Associates, Yerba Buena Center.

Mr. David Oster, Assistant Agency Counsel, reported on item (a) as follows. The LDA with Taysan-Lincoln requires firm evidence of financing prior to conveyance of the Site, which is scheduled for May 17, 1983, in order to convey at the current land price. The bond issue the Commission approved tonight will provide the financing for this development. However, those bonds will not be issued, sold and delivered prior to May 17 and thus, on that date,

MATTERS NOT APPEARING ON AGENDA (continued)

the Developer's evidence of financing will not be in the form that is usually required. Under these circumstances, it is recommended that the Agency convey the Site on the basis of an executed Purchase Contract as evidence of financing. However, in order to protect the Agency in the event that the bonds are not sold, the Agency will require the Developer to execute a Re-entry Agreement. This Agreement requires the Developers to give the Agency a Grant Deed to the Site prior to conveyance. The Agency may use this Deed to revest title to the Agency in the event the bonds are not sold and delivered prior to June 17, 1983. This will provide sufficient protection to the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-83 BE ADOPTED.

President Lee announced that the meeting would be recessed to a Closed Session on litigation. At the conclusion of the Closed Session the regular meeting would reconvene in the fourth floor conference room for item 9(i), a Workshop on the Rincon Point - South Beach Project. The meeting recessed at 7:40 p.m. The meeting reconvened at 7:50 p.m. Mr. Arnelle left before the workshop began.

- (i) Mr. Kernan reported that the purpose of this workshop is to allow Campeau California Corporation to present their proposal for Part of Development Site 1 in the Rincon Point - South Beach Project. The proposal is for the development of 402 dwelling units, Historic Preservation and Adaptive Reuse of the Oriental Warehouse and a new six-story office building. A staff recommendation for Commission action is expected to be calendared on May 24.

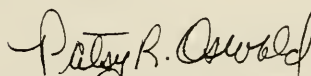
Mr. Peter Park, Vice President, Campeau California Corporation, introduced their team members and presented their proposal.

At this time Mr. King left the meeting, 8:00 p.m.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:45 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

August 2, 1983

5
/83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MAY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City and County of San Francisco, California at 4:00 o'clock p.m. on the 24th day of May, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Charlotte Berk
Haig Mardikian
Walter S. Newman

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and the following was absent:

Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Pleasant Carson, Western Addition Project Area Committee (WAPAC); Dewey Brown, Ocie Mae Rogers, Joint Housing Committee (JHC); Donald Flynn, Willow Van Ness, Inc.; A. J. Lirot, Arnold Townsend, Fillmore Group, Inc.; and Roslyn Baltimore, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of April 5, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Last Wednesday, May 18, several staff persons and Commissioner Berk attended the all day Daniel Burham Conference to discuss the future of San Francisco's South of Market.
- (b) At yesterday's Board of Supervisors meeting approved for second reading was the Ordinance for the vacation and sale of Redwood Street, which is part of the site for the State Office Building. Final passage is expected Tuesday, May 31.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The Board of Supervisors also approved the \$29,000,000 tax increment financing for Yerba Buena Center.
- (d) The Agency's offices will be closed next Monday, May 30 in observance of Memorial Day.
- (e) The consultant's report for the Salary and Classification Survey is expected tomorrow. Staff and the Union will be briefed and a copy of the report will be sent to the Commission.

UNFINISHED BUSINESS

- (a) Resolution No. 126-83, requests authorization to regrant Exclusive Negotiations until July 1, 1983 with the Fillmore Group, Inc. for the development of the parcels in the block bounded by Webster, Fillmore, Eddy and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The Developer originally proposed to develop approximately 125 residential condominiums, a 1,500-seat dinner theatre, four cinemas, approximately 10,000 square feet of commercial space and a three-story parking structure. Based on this proposal and with certain conditions, Exclusive Negotiations were authorized March 1. The Developer failed to provide Evidence of Equity Capital by the date required and now has requested that it be regranted Exclusive Negotiations so that it can consider, in the light of economic feasibility, the revision of certain aspects of the proposed development. To permit the Developer time to do this, the performance dates would change for Submission of Evidence of Equity Capital from May 4 to June 4, 1983; conclude discussions with Agency staff regarding a Minority/Community Participation Program by June 4, 1983.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-83 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an Amendment to the Land Disposition Agreement for Parcel 743-A; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 132-83, requests authorization of a Fifth Amendatory Agreement which revises the disposition price, to the LDA with Eddy Place Associates for the development of the parcel located at the south side of Eddy Street between Franklin Street and Van Ness Avenue in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. In September 1981 the Commission authorized an LDA with Eddy Place Associates for the development of 10,000 square feet of office space and four residential condominiums. Because lenders were not interested in a small mixed use development, the Developer requested, and the Commission approved in February of this year, elimination of the residential portion of the project. The building has been redesigned for office use. Eddy Place Associates is presently negotiating with Bank of America and Bell Savings and Loan for construction and permanent financing; and in this regard, the Commission granted the Developer an extension of certain performance dates on April 5. With this extension the Developer must submit evidence of financing by July 5, 1983 and conveyance is scheduled for July 27, 1983. While the Developer moves toward securing financing the absolute conveyance date expired and thereby the disposition price of \$103,050. Staff has reappraised the site in accordance with standard appraisal practices and a new price of \$240,450.00 has been determined.

President Lee indicated it has been two years since exclusive negotiations were granted and he inquired how the developer feels about the increase in the land price. Ms. Rosalyn Baltimore responded she feels she now has a viable development without the residential. President Lee inquired if she was comfortable with the July 5 date and Ms. Baltimore indicated she was hopeful.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-83 BE ADOPTED.

- (b) Resolution No. 133-83, requests ratification of a Fourth Amendatory to the LDA with Willow Van Ness, Inc. and Donald Flynn for the construction of a parking structure bounded by Van Ness Avenue, Eddy and Willow Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Donald Flynn acting through his wholly owned corporation, Willow Van Ness, Inc. constructed an office building which is essentially completed and is to construct a parking structure which provides 62 spaces required by the office building and a restaurant located on the ground floor. Completion of the parking structure is anticipated to take 60 - 90 days. Because of the Developer's recent desires to change plans for the parking structure, which are now abandoned, there was a delay in completing the final design for the structure. Mr. Flynn has sold a floor and a half of office space to three separate condominium purchasers who desire to secure partial certificates of completion so they can obtain financing necessary to purchase the condominiums and proceed with the "tenant" improvements. Agency staff believes it appropriate to facilitate the condominium purchases, but at the same time is concerned that the parking requirements be met. Accordingly, Agency General Counsel has structured a fourth amendment to the LDA which he believes achieves both objectives. It

NEW BUSINESS (continued)

is Counsel's view that protection of the Agency requires certainty and definite commitments by the Developer. In essence the Fourth Amendatory provides that: the Agency will issue partial certificates of completion but temporary parking must be provided until the parking structure is completed; a true copy of an executed construction contract between Flynn and a licensed contractor for construction of the structure must be provided to the Agency by July 1, 1983; if the parking structure is not completed within the time specified in the LDA the restaurant operation will be suspended; if construction of the structure has not commenced by August 1, 1983, a \$400,000 performance bond or letter of credit in favor of the Agency shall be provided, and if not provided, the Agency has all its LDA rights including the right to re-enter upon Flynn's parking lot and re-vest title to the Agency; no cure or excuse is allowed for not supplying the temporary parking leases, the construction contract or the \$400,000 bond/letter of credit; and commencement of construction means written evidence that Flynn has ordered special pre-cast "T" supports for the parking structure and has commenced form work for the foundation.

President Lee inquired where the temporary parking would be located. Mr. Leo Borregard, Agency General Counsel, responded what the Agency has asked for, and what Mr. Flynn has supplied is a temporary parking lease within the requisite 800 feet of the site, which provides sufficient parking to take care of the office space that he has already sold and for which the Agency has issued a Certificate of Completion.

Mr. Donald Flynn, Willow Van Ness, Inc. indicated that he would like to congratulate this Agency for having such a fine lawyer, Mr. Borregard, because of this wonderful agreement he put together that assures this garage will be started. He also indicated he was worried about when they would get the building permit from the City to start the garage. The contract now states there is no excuse for not starting by August 1, but hopes the Commission would be sympathetic if they come in on August 2 and can show they have done everything possible to get a building permit. Mr. Borregard indicated there is nothing that requires Mr. Flynn to start construction by August 1. There is something that requires him to post a bond if he hasn't started by August 3.

President Lee indicated that Mr. Flynn's building is one of the finest looking on the Van Ness Corridor.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-83 BE ADOPTED.

- (c) Resolution No. 134-83, requests authorization of Exclusive Negotiations for a 90-day period with John and James O'Neill for the development of the parcel located at the southeast corner of Broderick and Ellis Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton requested that this item be tabled, as staff has discovered a need to correct some serious errors in the development proposal. When that has been achieved it will be brought back for consideration.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-83 BE TABLED.

- (d) Resolution No. 135-83, requests authorization to expend an amount not to exceed \$4,500.00 for the temporary accommodation of Carrie General Insurance Agency during the rehabilitation of 2081-89 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. Mr. Roosevelt Carrie has operated his insurance agency at 2081 Sutter since 1982. In October 1981 Mr. and Mrs. Carrie entered into an LDA with the Agency to purchase and rehabilitate the structure. The rehabilitation work is anticipated to require seven to eight months to complete. The insurance agency will return to the building when the rehabilitation is completed, thereby being permanently relocated. Under Federal regulations the Agency is authorized to pay all costs for the temporary accommodation of potential displacees until their permanent relocation facilities are available. In this instance, these include: (1) a rent differential; (2) actual moving expenses including storage of personal property; and (3) miscellaneous costs such as reinstallation of telephone services, which staff believes will not exceed \$4,500.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-83 BE ADOPTED.

- (e) Resolution No. 136-83, requests authorization of Personal Services Contract with Norman Pfeiffer of Hardy, Holzman and Pfeiffer for cultural architectural consultant services in an amount not to exceed \$25,000 for the Yerba Buena Center (YBC).

Mr. Hamilton reported on item (e) as follows. For over a year the Technical Assistance Committee (TAC) has been working to formulate its recommendations as to which cultural facilities should be included in the Central Blocks mixed-use development for YBC. The "YBC Cultural Plan Design Scenario" called the "Blue Book" was published July 1981. Frederiksen/Peat, Marwick, Mitchell & Company analyzed the possibility of the proposed plan and reported on the operating and revenue projections for the facilities and the "User Study" which evaluated potential uses. Peter Adamson & Associates confirmed those estimates. However, now, an in-depth analysis of the facilities costs to determine more precisely construction projections and advice for the O & Y architects on recommendations for incorporation of the cultural facilities is essential. Extensive discussions with O & Y, the Agency's architectural advisors, and the cultural community have indicated that the firm of Hardy, Holzman and Pfeiffer is exceptionally well-qualified in the

NEW BUSINESS (continued)

design of cultural facilities. They have recently completed the successful Hult Center in Eugene, Oregon are working with the developer and Los Angeles County Museum Board on the museum complex for Los Angeles. The O & Y Team has expressed confidence in having them work on these facilities. Staff's meetings with Norman Pfeiffer to discuss the project and his initial observations have revealed a construction design insight that confirmed the recommendations. It is believed that this information is extremely important in order to get us in a position to make the kinds of recommendations to the Commission that will ultimately size, frame and define the cultural program for Yerba Buena Center.

Mr. Newman inquired if this is to be the full extent of the contract or the first stage and Mr. Hamilton indicated he believed this should be the full extent and Mr. Pfeiffer's services will only be used on an as needed basis.

Ms. Berk inquired if this contract covers all the eventualities of what has been considered; where the Technical Advisory Committee is now, where O & Y is and all of the things in the arena, and Ms. Helen Sause, Project Director, Yerba Buena Center, indicated affirmatively. Ms. Berk inquired if any cultural facilities would be considered that have not already been included in the project and Ms. Sause indicated no.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) This item requests authorization to extend the conveyance date in the LDA to June 7 with MMI Partners for Parcel C-2 in India Basin bounded by Evans, Newhall and Mendell Streets.

Mr. Hamilton reported on item (a) as follows. MMI proposes to build a two-story facility to house their principle office and direct mail communications activities. They also have a UDAG commitment of \$485,000, which will not be affected by this extension. The conveyance date of May 20, which is not the "Absolute Conveyance Date" was not met due to Wells Fargo Bank's loan documents not being finalized and MMI's Affirmative Action requirements not being approved. It is anticipated that these items will be completed by May 27. However, in anticipation of unforeseen delays it is requested the extension be authorized to June 7.

Mr. Mardikian indicated it is his impression the banks today take considerably longer to drawup loan documents than has ever been the case and for whatever the reason. He suggested that staff look into the possibility of putting language into the resolutions that when it is just a technical matter of the banks not having satisfied themselves, the resolutions would automatically be extended for another 60 days. Mr. Hamilton indicated that staff will look into that.

Minutes of a Regular Meeting, May 24, 1983

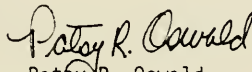
MATTERS NOT APPEARING ON AGENDA (continued)

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT THE CONVEYANCE DATE IN THE LDA WITH MMI PARTNERS FOR PARCEL C-2 IN INDIA BASIN BE EXTENDED TO JUNE 7.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on litigation and personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

July 12, 1983

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31/83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF MAY 1983

SEP 7 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:10 o'clock p.m. on the 31st day of May, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Melvin D. Lee, President
- Leroy King, Vice President
- Charlotte Berk
- H. Jesse Arnelle
- Haig Mardikian

and the following were absent:

- Dian Blomquist
- Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ted Steefel, Michael J. Lawson, Steefel, Levitt and Weiss; and Ocie Mae Rogers, Joint Housing Committee (JHC).

Representing the press were Malcolm Glover, San Francisco Examiner and Evelyn Hsu, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of March 29, 1983, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Resolution No. 137-83, requests authorization to advertise a contract for the rehabilitation of the building at 1519-29 O'Farrell Street; Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This three-story wood frame Victorian contains six units and a basement. The original in-house rehabilitation was completed in February 1976 with two objectives: 1) to provide a temporary A-2 Site Office, which it did for seven years; and 2) to complete the rehabilitation in a manner that would minimize the cost of converting the building to six

NEW BUSINESS (continued)

residential units. These units are to be included in the Agency's Affordable Condominium Program and will share a common landscaped open area with 35-37 Hollis Street and 1360-70 Webster Street condominium properties. Staff estimates the cost of rehabilitation will not exceed \$200,000. Although funds are available for this work they were not designated for this purpose in the Agency's 1983 budget because the alternatives for the building's disposition were not fully determined. However, the closing of the Site Office presents the opportunity to accelerate the return of the Site Office to housing. A request to the Mayor's Office of Housing and Community Development (OHCD) for reprogramming of funds for this project is currently in process. All solicitations for bids will note award is subject to the reprogramming request.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-83 BE ADOPTED.

- (b) Resolution No. 138-83, requests authorization of an amendment to Urban Design Consultant Contract with Rai Okamoto in the amount of \$25,000 for urban design services for the Central Blocks in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. For the past year and a half, Mr. Okamoto has participated as the liaison with the Agency for the Design Review Panel which has participated in the discussions, studies, and deliberations necessary to enable the Agency to review the master plan for the Central Blocks. In addition, Mr. Okamoto has provided specialized design comment on issues such as East Block 2 and the Taylor-Woodrow development. He has also had the responsibility of preparing the urban design guidelines for the Scope of Development which will be incorporated in the final disposition documents. Mr. Okamoto's services are important to the design development for the YBC Central Blocks.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-83 BE ADOPTED.

- (c) Resolution No. 139-83, requests authorization of a First Amendment to Personal Services Contract with Peter Adamson, Cost Estimator, to assist the Agency in analyzing the costs for the central blocks development in an amount not to exceed \$10,000 for the Yerba Buena Center (YBC).

Mr. Hamilton reported on item (c) as follows. At the Agency meeting of January 26, 1982 the Commission approved a contract in the amount of \$20,000 with Mr. Adamson for services to assist the Agency in analyzing costs for the YBC development. For the past year and a half, Mr. Adamson has satisfactorily provided that type of analysis. Since the design considerations and cost estimates will not be resolved for some time, there is a continued need for the capacity to evaluate the developer proposals as well as to formulate cost figures for the improvements for which the Agency is responsible.

NEW BUSINESS (continued)

Ms. Berk inquired what type of cost estimates Mr. Adamson verifies for the Agency. Mr. Hamilton responded that Mr. Adamson analyzes the developer's construction costs as they are represented to the Agency, which are necessary to clearly understand the economic formula that has been applied and he also performs cost estimates attributed to the public facilities for which the Agency is responsible and particularly for the cost of the cultural facilities. Ms. Berk noted that a contract for a cultural consultant was approved at the last meeting and inquired if Mr. Adamson would be working with that consultant. Mr. Hamilton indicated that there will be a liaison between them; however, the cultural consultant has a more specific responsibility than simply cost analysis. That consultant whose specific background is in design and construction of cultural facilities will have duties which will include the framing of the program as well as costs.

Mr. Adamson will not be concerned with what should be built, but strictly with costs as an independent consideration.

President Lee requested the name of the firm and its background and Ms. Helen Sause, Project Director, Yerba Buena Center, responded the firm's name is Adamson and Associates who specializes in cost estimations and has experience on major projects. President Lee inquired what portion of the original contract had been expended and Ms. Sause responded \$19,500 and added that the Agency had hoped to have this phase concluded by this time, but because of prolonged negotiations Mr. Adamson's continued services are necessary.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-83 BE ADOPTED.

- (d) Resolution No. 140-83, requests authorization to enter into a Rental Agreement with Arcon/Pacific, Ltd. for the use of a portion of Central Block I on the south side of Stevenson Street between Third and Fourth Streets in Yerba Buena Center (YBC).

Mr. Hamilton reported on item (d) as follows. Arcon/Pacific, Ltd. will be using this land for an interim truck turn around in connection with the Meridien Hotel. The initial street design plans for the area were prepared several years ago and identified a cul-de-sac on Stevenson Street. The Meridien Hotel requires that there be a provision for truck ingress and egress and the design was predicated on having such access. The final design of Central Block I provided for construction of a permanent access, but is not yet completed. Since the hotel is nearing completion, it is necessary to provide a temporary solution for truck access for the hotel. Staff has met with the Department of Public Works, Bureau of Traffic Engineering, and the City's Interdepartmental Staff Committee on Traffic and Transportation and has received the necessary approvals for this temporary plan. Construction of all improvements will be the responsibility of the Lessor and tenancy will be month-to-month at a rate of \$500.00. As a result of this proposed use, a

NEW BUSINESS (continued)

portion of the parking lot operation had to be vacated; however, the rental rate offsets the lost revenue.

President Lee inquired if the agreement with the Bureau of Traffic Engineering is strictly on the interim usage and Mr. Hamilton indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-83 BE ADOPTED.

- (e) Resolution No. 141-83, requests authorization of a Fifth Amendment to Agreement for Legal Services in the amount of \$100,000 with the law firm of Steefel, Levitt & Weiss in connection with the Yerba Buena Center (YBC).

Mr. Hamilton reported on item (e) as follows. The Steefel law firm has been providing excellent service to the Agency under the present contract covering all Project Areas, and their continued assistance with document preparation for the YBC Project is essential. The original contract amount has been amended periodically since 1981 and current contract funds are now nearly expended. Staff believes it is critical that this firm continue to assist the Agency in maintaining an effective legal capacity and momentum in the YBC negotiating process.

A discussion took place regarding this item between the Commissioners, Staff and representatives of the law firm of Steefel, Levitt & Weiss and members of the public. A transcript of that discussion is on file with the Agency Secretary.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item (e) would be continued for one week. There being no objection, it was so ordered.

- (f) Resolution No. 142-83, requests authorization to extend fencing services with Coast Fence Company until December 31, 1983 or until the remaining funds of \$6,200 allocated thereunder are expended, whichever occurs first for all Project Areas.

Mr. Hamilton reported on item (f) as follows. In August 1980 the Commission approved a contract with Coast Fence Company to provide fencing services for all project areas which was for a two year period. At that time, fencing services were required for in-house rehabilitation projects and for demolition sites as well as to replace fencing destroyed or damaged by accident or vandalism. The Engineering Department now includes fencing within demolition contracts and Rehabilitation has indicated work requiring fencing has been completed. The Agency's current fencing needs relate primarily to fence repairs. In June 1982 the Commission approved an amendment that extended the contract under the same terms and conditions until June 1, 1983 and as of May 1983 there remains a balance of \$6,200 and there is no new money involved. Coast Fence

NEW BUSINESS (continued)

Company has advised the Agency of their interest in further extending the contract until December 31, 1983 or until the existing funds have been expended. Staff believes that when these funds have been expended the Agency's fencing requirements can be paid on an as-needed basis either by using purchase requisitions or by the bid process for charges over \$1,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-83 BE ADOPTED.

- (g) Resolution No. 143-83, requests authorization to file an application for the Emergency Jobs Program with the Mayor's Office of Housing and Community Development (OHCD) for the Western Addition A-2, Hunters Point, and Yerba Buena Center Projects in the amount of \$2,111,080.

Mr. Hamilton reported on item (g) as follows. In March of this year, the President signed into Law the Emergency Jobs Act which provides for additional appropriations to a large number of existing federal programs. The basic objectives of the Act are to provide productive employment opportunities for jobless persons, to hasten or initiate federal projects, and to provide construction efforts of lasting value to the community. The HUD Area Office has advised the City that its allocation under the Act will be \$8.3 million and activities under the Community Development Block Grant Program (CDBG) are eligible.

The Mayor's Office of Housing and Community Development is now beginning to formulate a recommended program for submittal to the Board of Supervisors on June 1, 1983. The HUD Area Office is requiring the City to submit its final program statement by July 1, 1983 with its approval anticipated by August 1, 1983. Two important criteria being used are: 1) the projects must be able to be started by January 1, 1984; and 2) the projects must be completed in 12 months. Working within this criteria, staff determined that three projects, which are currently unfunded, appeared superior to other needs and responsive to the criteria of the Act: 1) demolition of 49 Fourth Street in YBC at a cost of \$1,000,000; 2) construction of the necessary public improvements for Solomon Village in Hunters Point at a cost of \$489,600; 3) construction of the special Fillmore Street improvements, plus the Geary/Fillmore Streets overpass/underpass improvement at a cost of \$621,480 would strengthen the Safeway UDAG investment and help attract additional private investment west of Fillmore Street.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-83 BE ADOPTED.

- (h) Resolution No. 144-83, requests authorization to lease an IBM III-60 for the Central office fourth floor in the approximate amount of \$1,023 per month.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. The copying needs of the fourth floor office area are currently serviced by a Xerox 3600-I copier that is very limited in its functions and is at least ten years old. The machine is currently used to produce 25,000 to 30,000 copies per month. Particularly at this high volume, the limitations of the machine result in considerable loss of staff time and also in wastage of paper because it lacks a two-sided copying capacity. As part of the Agency Western Addition Project Area Committee (WAPAC) contract, the Agency provides the same kind of machine to WAPAC which is leased through June 30, 1983. Because the copying requirements of WAPAC are less (8,000 to 10,000 copies per month) the 3600-I has sufficient capacity to fulfill their needs. Therefore, staff is proposing the cancellation of the lease on the WAPAC 3600-I and replacing it with the purchased 3600-I, which would save the Agency \$240 per month. Staff has evaluated products of the three main competitors in the high volume copier/duplicator field: Xerox, Kodak and IBM. Comparisons were made in the areas of copier features, cost and customer satisfaction. Based on these factors, staff determined the IBM III-60 would best meet the needs of the fourth floor office area. Additionally, the pricing on the IBM is also the most favorable of the three at the projected copy quantities. The copier can be purchased or leased, but with the very competitive nature of the copier business and the mechanical nature of the equipment, the lease is recommended.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-83 BE ADOPTED.

President Lee indicated that the meeting would be recessed to the fourth floor conference room for a Workshop. The meeting recessed at 5:05 p.m. Mr. King left the meeting at this time. The meeting reconvened at 5:20 p.m.

- (i) Workshop on a Tentative Development Program proposed by the U.S. Postal Service for the development of Site B (which includes the Rincon Annex Post Office Building), Block 3716, Lot 1, in the block bounded by Mission, Spear, Steuart and Howard Streets. The program proposes development of two new floors above the existing building and new development on the vacant portion of the site to include: a 15-story office building and an 18-story mixed-use building, Rincon Point - South Beach.

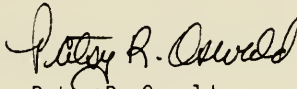
Mr. Hamilton indicated that the purpose of this Workshop is to have the Postal Service present its proposal for Development Site B in the Rincon Point - South Beach Project. He then introduced Mr. Irwin Sherrick, U.S. Postal Executive, who gave an overview of the proposal. Mr. Sherrick introduced their architect Mr. Gordon Chong, who gave a conceptual description of the project. Mr. Hamilton noted that a staff recommendation for Commission action is expected to be calendared on June 14, 1983.

Minutes of a Regular Meeting, May 31, 1983

ADJOURNMENT

It was moved by Ms. Berk, and seconded by Mr. Mardikian, that the meeting be adjourned. The meeting adjourned at 6 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

August 30, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF JUNE 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of June, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
H. Jesse Arnelle
Haig Mardikian

DOCUMENTS DEPT.

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and the following were absent:

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PUBLIC LIBRARY

Dian Blomquist
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Pleasant Carson, Mary Helen Rogers, U. J. Montgomery, Western Addition Project Area Committee (WAPAC); Ted Steefel, Michael Lawson, Steefel, Levitt & Weiss; John Igoe, Lincoln Properties; and J. David Hertzner, Theodore B. Lee, Ocie Mae Rogers, and Roy Chew, interested citizens.

Representing the press were E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of May 3, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the closed session meeting of May 3, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session meeting of May 10, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The State of California is now advertising for bids to construct the State Office Building the block bounded by Van Ness, McAllister, Franklin and Golden Gate. Bids will be opened on July 22 and staff will keep you advised as to the results and start of construction.
- (b) The Citizens Advisory Committee on Community Development will be holding Performance Hearings to review the 1983 Program on Thursday, June 9 at 4:00 p.m. at 100 Larkin Street.

UNFINISHED BUSINESS

- (a) Resolution No. 141-83, requests authorization of a Fifth Amendment to the Agreement for Legal services in the amount of \$100,000 with the law firm of Steefel, Levitt and Weiss in connection with the Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. This item was continued from last week's meeting to allow the Steefel firm time to submit additional information requested by the Commission regarding their affirmative action program. This information was sent to the Commissioners last night.

It is still staff's recommendation that this firm continue to assist the Agency in maintaining effective legal capacity and momentum in the YBC Negotiating process.

A review of the information and of information that was already on file and part of the material sent to the Commission indicates that the effort that has been represented, since the time of original selection, is a good faith effort and continues to be one. The more relevant and significant concern is, as mentioned last week, maintaining the legal capacity necessary to conclude discussions with O & Y on the schedule to which the Agency is committed really necessitates not interrupting that momentum by changing law firms at this time. This is a serious concern and staff's recommendation remains the same.

A discussion occurred between the Commissioners, Staff and representatives of the law firm of Steefel, Levitt & Weiss and members of the public. A transcript of that discussion is on file with the Agency Secretary.

NEW BUSINESS

Ms. Berk left the meeting at this time, 5:35.

- (a) Public Hearing to hear all persons interested in an Assignment and Transfer of Interest in the Land Disposition Agreement for Parcel 3750-A; Yerba Buena Center.

NEW BUSINESS (continued)

Resolution No. 145-83, requests authorization for Taysan-Lincoln Associates to assign all its rights, title and interest in the LDA for the parcel located at the southeast corner of Third and Folsom Streets in the YBC to St. Francis Place Limited Partnership (to be formed).

- (b) Resolution No. 146-83, requests authorization of a Second Amendatory Agreement to the LDA which incorporates special anti-speculation provisions relating to limited partnerships and the Developer's Agreement to subsidize the low-to-moderate income units if and when they are sold as condominiums.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on items (a) and (b) as follows. On May 17, 1983 this parcel was conveyed to Taysan-Lincoln Associates. Pursuant to the terms of the special Re-Entry Agreement between the Developer and the Agency, the Developer has 30 days from the date of conveyance to cause the sale and delivery of the SB99 bonds. The Developer has requested an assignment and transfer of the LDA to be effective after the sale of the bonds. The assignment to St. Francis Place would allow admission of limited partners who will make equity contributions to the project to cover the gap between the estimated project cost and the funds raised through the sale of the bonds. The Second Amendatory Agreement will incorporate HUD's Article 6 language in the LDA which allows the partnerships to admit additional limited partners. In addition, the Second Amendatory will include language with respect to the Developer's agreement regarding any future sale (after 10 years) of the 20% (79) low-to-moderate income units in this development. Staff believes that the assignment and amendment are essential to permit the final sale and delivery of the bonds and construction of the development.

Mr. David Oster, Assistant Agency Counsel, indicated that since the time Resolution No. 145-83 was drafted, staff became aware of the need to make two technical changes in the resolution language and that approval should be subject to:

- (1) Receipt by the Agency on or before August 6, 1983 of fully executed assignment documents in the form previously submitted in blank to the Agency; and
- (2) Taysan-Lincoln's execution of all documents in connection with its assignment of the real property which are determined by the Agency to be reasonably necessary to make the covenants, reservations and restrictions contained in the Bond Regulatory Agreement covenants running with the land and fully binding upon the assignee.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-83 BE ADOPTED, AS AMENDED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-83 BE ADOPTED.

- (c) Resolution No. 147-83, requests a First Amendatory Agreement to the Addendum with the Nihonmachi Community Development Corporation (NCDC) for the development of the parcel allocated to Urban Land Company owned by Mr. and Mrs. Theodore Lee. This parcel is located on the south side of Sutter between Laguna and Buchanan Streets in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. This amendment will revise the performance schedule and permit a change in use from five residential rental units to five condominiums for sale. The developer's analysis of this small rental development indicated a cash flow deficit making such a development economically infeasible. The new use will consist of four 2-bedroom units and one 1-bedroom unit whose sales prices would depend on market conditions for condominiums at time of sale. Appropriate landscaping, required open space, and parking will be provided. The development, to be conventionally financed, is estimated to cost approximately \$817,623. Staff recommends a profit limitation because of the change in use and all profits in excess of 20 percent of "Allowed Development Costs" realized by the developer will be paid to the Agency to be used to assist in affordable housing developments. The revised performance schedule will be: Submission of Final Construction Documents from February 22, 1983 to July 20, 1983; and Conveyance of Site from April 26, 1983 to December 21, 1983.

Ms. Berk returned to the meeting at this time, 5:40 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-83 BE ADOPTED.

- (d) Resolution No. 148-83, requests authorization of the method of sale, minimum disposal price, preparation of brochures, placement of advertising and preparation of developer's packets in connection with Rehabilitation Offering No. 22 for five Agency-owned parcels located at 1335 Pierce Street, 1905-09 O'Farrell Street, 1800 Eddy Street, 1211 Scott Street, and 1207 Scott Street in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. Mr. Hamilton indicated that 1909-11 Ellis Street has been extracted from the listing of properties. As noted in the memorandum, staff has received an expression of interest from Mr. Alonzo Reece in acquiring this particular property. Mr. Reece is an A-2 Certificate Holder who was one of the victims of the Divisadero Heights fire. Staff met with him and is reasonably assured that Mr. Reece can

NEW BUSINESS (continued)

perform and will schedule exclusive negotiations at a later time for official consideration. Therefore, that building has been extracted from the list, which was six and is now five. The offer for sale will be for a one-month period with competitive sealed bids being solicited during that period to be publicly opened on a date to be set. The offering will follow the normal practice of establishing two categories of respondents: one for Certificate Holders and one for Non-Certificate Holders, each ranked by the price the respondent is willing to pay for the property. The one exception will be for 1800 Eddy Street that will also have a sub-category as rentals and condominiums with priority going to the highest bid with a proposal as rental units. This is because the property is one of the more difficult to rehabilitate and feasibility as a rental is marginal. Staff expects to have all responses in by August and to enter into Exclusive Negotiations with the successful developer by September. Additionally, an expenditure not to exceed \$4,000 is requested to provide for placement of advertising to ensure the necessary market exposure and required notification of the availability of these parcels in addition to the preparation and printing of the offering brochure and developer's packets and mailing of informational brochures. It is expected some of these costs will be recouped from the sale of packets to interested developers.

Mr. Pleasant Carson, WAPAC, indicated he could not recommend this item. He has serious problems with the offering, as he believed it did not serve the Black Community and would like to have a negotiating process for the properties such as the Nihonmachi Corporation has.

Mr. U.J. Montgomery, WAPAC, indicated he concurred with Mr. Carson's comments. There appears to be a pattern of economic and racial discrimination in awarding certain properties in A-2, and ask that a comparison be made between the Nihonmachi Project and the balance of the A-2 project that will show that pattern.

Mr. Lee inquired if one of the criteria is to award to the highest bidder and Mr. Hamilton indicated affirmatively; within the respective categories.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-83 BE ADOPTED.

- (e) Resolution No. 149-83, requests authorization of an Agreement for Legal Services with the law firm of Chern, Culver & Roberts to provide legal services in connection with certain litigation affecting the Western Addition A-2 in an amount not to exceed \$25,000.

Mr. Hamilton reported on item (e) as follows. From time to time the Agency requires legal services that cannot be performed by our Legal Division. There is presently pending certain litigation in connection with the Agency's vacation of the Goodman Building,

NEW BUSINESS (continued)

namely Alan Wofsy & Associates vs. Redevelopment Agency of the City and County of San Francisco. Since the Agency's lawyers are potential witnesses in this lawsuit, they are ethically prohibited from representing the Agency, and outside counsel is necessary so as to prevent any possible conflict of interest. The Chern, Culver and Roberts law firm is a minority law firm and its affirmative action program has been accepted by staff. Since it has been necessary for the Agency to commence its defense of the lawsuit, the Agreement will provide that it be effective as of May 25, 1983.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-83 BE ADOPTED.

- (f) Resolution No. 150-83, requests authorization to continue an Agreement with University of California for the Agency's participation in their work study program and to expend \$6,500 for the period of July 1, 1983 through June 30, 1984.

Mr. Hamilton reported on item (f) as follows. For several years the Agency has participated in U.C. Berkeley's work study program which allows students to earn money while in school and gain solid work experience in their major fields. The Agency's overall experience with the program has been very good. Rates of pay for a 20 hour week during the school year and a 40 hour week during vacation periods range from \$5.00 to \$6.00 per hour depending upon the kinds of work done and the students' qualifications. The Agency currently pays 50 percent of the salary with the rest paid by the University through Federal Department of Education grants. The individual work study allotments vary depending upon the student's financial situation, but do not exceed \$1,600 for the summer and \$3,500 for the school year. Last year, staff requested an expenditure of \$5,000. Aside from seeking authorization for continuation of the Agreement, staff is proposing a modest increase to allow expenditures of up to \$6,500 for the next year, which amount will cover the student salaries and allow a maximum of three to four interns at any one time.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-83 BE ADOPTED.

- (g) Resolution No. 151-83, requests authorization for Helen L. Sause, Project Director, YBC; James Wilson, Area Director, Hunters Point - India Basin and Executive Director Wilbur W. Hamilton to attend the PSWRC-NAHRO Annual Conference being held in Long Beach, California June 18 - 21, 1983 in an amount not to exceed \$1,400.

Mr. Hamilton reported on item (g) as follows. The Conference will cover a wide spectrum of subjects pertinent to the Agency's program of providing low and moderate income housing and carrying out community and economic development. Mrs. Sause and Mr. Hamilton will also attend the business meeting of the PSWRC Executive Board in our respective positions of Past President and Senior Vice

NEW BUSINESS (continued)

President. Mr. Wilson will attend the Regional Professional Development Committee of which he is a member, and Mrs. Sause will conduct the Community Revitalization and Development meeting in her capacity as Vice President.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-83 BE ADOPTED.

President Lee announced that the meeting would be recessed briefly. The meeting recessed at 6:00 p.m. and reconvened at 6:10 p.m. with the same roll call.

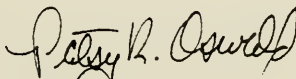
Mr. Hamilton indicated he has conferred with Agency General Counsel, who has spoken to Mr. Joe Coomes (an Agency Consultant) with respect to what is necessary to maintain an effective City position in the negotiations, given the considerations on the Steefel, Levitt & Weiss contract. Mr. Coomes has requested that staff secure Commission authority to officially continue the contract under the same terms for whatever period of time it takes, perhaps for thirty days, to provide the Commission with an alternative recommendation. The concern is that Steefel, Levitt and Weiss could not properly represent the Agency in discussions with the developer without that authorization; as they would have no standing in the discussions or be bound by any of the professional reputable considerations unless there is an expressed authority from the Commission to use them in this interim period consistent with the previous contract.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AND HE IS HEREBY AUTHORIZED TO CONTINUE USING THE LAW FIRM OF STEEFEL, LEVITT AND WEISS UNDER THE SAME TERMS OF THEIR PREVIOUS CONTRACT UNTIL AN ALTERNATIVE RECOMMENDATION HAS BEEN MADE TO THE COMMISSION.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

September 13, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14th DAY OF JUNE 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street, San Francisco, California at 4:10 o'clock p.m. on the 14th day of June, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian

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and the following was absent:

Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Tome Moses, Denney Curtis Hermens, David Motta, Ronald Lowe, Keith Miles, Nathaniel Long, Morris Parker, John Benhoff, Curtis Jones and James Thompson, Liberation House; Charles Sprincin, Sprincin Company; Caesar A. Churchwell, H. Smith, SMA; H. Grant Dehart, Heritage; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); James Broussard, JPB Industries and Blackstone Mothershed, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of May 24, 1983, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in Disposition of Land Agreement and Rehabilitation for Parcel 1101-B; Western Addition A-2. Resolution No. 152-83, requests authorization of a Land Disposition Agreement (LDA) for Rehabilitation of 1325-1329 Divisadero Street in the Western Addition A-2 with 1325 Divisadero Street.

President Lee opened the public hearing to hear all persons interested in this matter.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. Staff is requesting that the public hearing and action on this item be continued until the meeting of June 21, 1983 to allow additional time to analyze costs.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item 9(a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Public Hearing to hear all persons interested in Disposition of Land Agreement and Rehabilitation for Parcel 683-F; Western Addition A-2.

Resolution No. 153-83, requests authorization to execute a Land Disposition Agreement (LDA) with Liberation House for the purchase and rehabilitation of 1724-28 Steiner Street located on the easterly side of Steiner Street between Post and Sutter Streets in the Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (b) as follows. In November 1982 Exclusive Negotiations with the Developer for the purchase and rehabilitation of this property was approved. The recommendation to negotiate was based on Liberation House's proposal for a lease with an option to purchase the subject property which they currently rent. The Developer now requests revising their proposal to purchase the property directly. Liberation House, a community based organization, was established in 1973. Its successful alcohol rehabilitation program is the only one that presently serves the Western Addition Community. To meet the increasing needs for additional space and expanded services, Liberation House relocated into 1724 Steiner as a re-rental tenant in 1979. Since that time they have spent their own funds and volunteer time to meet minimum health and safety requirements, which they estimate to be approximately \$81,000 on work required by the City. The use of the building requires a conversion from multi-family residential to a social rehabilitation residential facility, which involves compliance with the City's building codes for seismic and handicap standards. Liberation House has retained a structural engineer to prepare drawings and specifications to complete the required rehabilitation. A firm financing commitment has been obtained from Barclays Bank for the purchase of the property and commitments from various corporate foundations for a portion of the rehabilitation costs. The fair reuse value has been determined to be \$60,000; however, as the property will be restricted to the non-profit institutional use of Liberation House, the price has been adjusted to \$31,500. A clause has been inserted in the LDA to provide that should a change of use occur in the future, the difference in value (\$28,500) would be recaptured. The Schedule of Performance will provide for Submission of Evidence of Financing by

NEW BUSINESS (continued)

October 25, 1983; and Close of Escrow by December 6, 1983.

The following persons from Liberation House expressed approval of Liberation House's program and recommended the Commission vote in favor of this item: Curtis Jones, George Cobbs, David Motta, John Benhoff, Nicole Basin, Denney Curtis Hermens, James Thompson, and Tome Moses.

There being no further persons wishing to appear in connection with this matter, President Lee declared the public hearing closed.

Mrs. Berk inquired if there would have to be a zoning change on this property, and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated no.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-83 BE ADOPTED.

- (c) Resolution No. 154-83, requests authorization of a Down Payment Assistance Grant to Blackstone Mothershed, an A-2 Residential Certificate Holder, for the purchase of 1213 Scott Street in the Western Addition A-2 through the Affordable Condominium Program in the amount of \$3,333.

Mr. Hamilton reported on item (c) as follows. Subsequent to the initial approval of the Affordable Condominium Program in September 1982 the Agency's marketing and management consultant, Eugene Burger Corporation, finalized the condominium association budgets and initial homeowner's dues. Based on this information it became clear to staff that the purchase prices for units included in the Program and the related homeowner's dues and tax payments were such that many Certificate Holders would not qualify to purchase these units unless special provisions were added to assist them. Two provisions were proposed to enable more Certificate Holders to qualify for purchase of a unit. The first provision allows the portion of monthly household income required for the first mortgage to be reduced from 25% to as low as 20% for households which would not qualify for the purchase of a unit at the 25% level. This provision has enabled the lender to approve five Certificate Holders who would not have otherwise qualified. The other provisions was for Certificate Holders, who qualified for purchase and loan approval in all areas except sufficient down payment resources, to be allowed to apply for a down payment assistance grant of up to 1/3 of the down payment. The grants are to be funded through fees received by the Agency through sales of Opera Plaza units.

Blackstone Mothershed and his wife, Janet M. Plocke, have been approved by 1st Nationwide Savings for the required first loan to purchase 1213 Scott Street and has established that he has 2/3 of the down payment needed.

NEW BUSINESS (continued)

Regarding the speculative use of these grants, the conveyance documents of grant recipients will provide that should a grantee choose to sell his or her unit during the Agency's seven-year repurchase option period, the price paid the grantee for the unit will not include the down payment assistance grant. This provision will enable the Agency to recapture the grant. Staff has evaluated Mr. Mothershed's request for down payment assistance and has determined that he meets the need criteria upon which such grants are to be based.

Ms. Blomquist indicated that the language in the memo was confusing regarding how the Agency will get the grant money back if the owner sells, and Mr. Hamilton indicated when the unit is sold, that portion of the price that relates to the grant assistance payment will be returned to the Agency and not to Mr. Mothershed.

Mr. Arnelle suggested since the language is difficult to understand, that there be changes in the wording in the documents that would make it more clear, and Mr. Hamilton responded that would be done.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-83 BE ADOPTED.

- (d) Resolution No. 155-83, requests authorization of a Fourth Amendatory Agreement to the LDA with Suttermore Associates for the parcels located on the north side of Sutter Street between Fillmore and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The Amendatory Agreement will extend the performance dates in the LDA for approximately 90 days. On October 13, 1983 an LDA was authorized with Suttermore Associates for the developer of 68 one- and two-bedroom condominiums and 15,000 square feet of commercial/office space. On March 15, 1983 the Commission was informed of the addition of the Sprincin Company, Inc. as a partner in the proposed development because of its expertise in securing construction financing. In this regard, they have received an offer to provide construction financing from a Bay Area lender which negotiations have been considerably more protracted than expected. However, they are proceeding toward a firm construction loan commitment. With issuance of a financing commitment eminent the Developer has requested a three months extension which would revise the performance dates as follows: Submission of Evidence of Financing from June 15, 1983 to September 14, 1983; and Conveyance of the Site from July 13, 1983 to October 12, 1983.

President Lee inquired if the developer was negotiating with one lender, and Mr. Charles Sprincin, Sprincin Company, indicated they have had discussions with numerous lenders, but have reached a state of progress with one particular lender, so they no longer are discussing financing with any other potential lenders.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-83 BE ADOPTED.

- (e) Resolution No. 156-83, requests authorization to reject all responses to Rehabilitation Offering No. 21 for the purchase and rehabilitation of the parcel located at 1300 Golden Gate Avenue/1101-23 Fillmore Street and to re-offer the property as Rehabilitation Offering No. 21-A in the Western Addition A-2.

Mr. Hamilton requested that because all bidders had not been advised of the proposed rejection of responses to Rehabilitation Offering No. 21, that Item 9(e) be held for one week.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item 9(e) would be continued for one week. There being no objection, it was so ordered.

- (f) Resolution No. 157-83, requests authorization of a Closeout Agreement between the Agency and the City on the Yerba Buena Center Redevelopment Program.

Mr. Hamilton reported on item (f) as follows. The Agency will have available from grants, land sales proceeds, and private borrowings sufficient funds to pay off the indebtedness under the Loan and Grant Contract for this program in the amount of \$11,100,000. One of the conditions for financial settlement of this program is a Closeout Agreement concurred in by HUD which agreement should be submitted to them by June 30, 1983, in order to allow adequate time for processing prior to the due date of the current temporary loan, which matures in August of this year. Financial settlement of this program is advantageous to the Agency in that it will release approximately \$460,000 of Federal grant funds to be used as partial payment on the temporary loan debt and increase Agency flexibility in the disposition of unsold properties. On May 10, 1983 an intention to issue bonds in an amount not to exceed \$29,000,000 was expressed by the Commission. A portion of this debt, together with the grant balance, will be used to retire this final Agency urban renewal debt.

Mr. Leo Borregard, Agency General Counsel, indicated that with respect to the document, HUD has requested that there be placed in the document a paragraph indicating that the manner of the repayment would be from the financing approved by the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-83 BE ADOPTED.

- (g) Resolution No. 158-83, requests authorization of a Letter Agreement for building inspection services with the Department of Public Works for a one year period (July 1, 1983 to June 30, 1984) for the Western Addition A-2, Yerba Buena Center, and Rincon Point - South Beach projects in an amount not to exceed \$64,000.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. The Redevelopment Plans for each of the designated project areas require that the Agency perform comprehensive property inspections for all structures proposed to be retained and rehabilitated. These inspections are performed by staff rehabilitation counselors working as a team with City Inspectors from the Bureau of Building Inspection. It is anticipated that the Letter Agreement will provide for the services of one full time building inspector, one electrical inspector, and one plumbing inspector as needed. The advantages of having the services of a full time building inspector include preparation and coordination of all building surveys, inspection reports and field inspections; direct handling, process and expediting approval of all permit applications; immediate availability for inspections rather than being dependent on the scheduled time of different district inspectors for consultation, advice and code interpretations in the preparation of plans and specifications required for property rehabilitation. The funds of this contract will be allocated as follows: Western Addition A-2, \$49,000; Yerba Buena Center, \$5,000; and Rincon Point - South Beach; \$10,000.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 159-83, requests authorization to pay \$12,320 to Earle V. Maynard and Company for insurance coverage for light buildings in the Western Addition A-2, Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. On May 3, 1983, the Commission authorized payment of \$11,550 to A. Mason Blodgett and Associates Insurance Brokers for all-risk insurance coverage of eight buildings in the Western Addition A-2 and Yerba Buena Center Project Areas. After discovering that the buildings were not insured on the correct insurance policy and that the premium would be significantly higher for the correct policy, A. Mason Blodgett and Associates has agreed to withdraw its bid and return the premium. The second low bidder, Earle V. Maynard and Company Insurance Brokers, confirmed its original quotation of \$12,320 and issued a binder effective June 10, 1983 properly covering the eight buildings. Authorization is therefore requested to pay Earle V. Maynard and Company Insurance Brokers an insurance premium for a 12-month period not to exceed \$12,320.

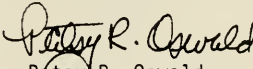
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-83 BE ADOPTED.

Minutes of a Regular Meeting, June 14, 1983

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

June 28, 1983

MINUTES OF A CLOSED SESSION OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JUNE 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a Closed Session at 939 Ellis Street in the City of San Francisco, California at 5:22 p.m. on the 21st day of June 1983, following the regular meeting held on that date.

The Acting President called the meeting to order and on roll call the following answered present:

Leroy King, Acting President
H. Jesse Arnelle
Charlotte Berk
Dian Blomquist
Haig G. Mardikian

and the following were absent:

Melvin D. Lee, President
Walter S. Newman

The Acting President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel and Patsy R. Oswald, Agency Secretary.

NEW BUSINESS

Mr. Hamilton indicated that the purpose of this meeting was to discuss two litigation matters.

- (a) Mr. Borregard reported on the Gage case and indicated there are three judgments in favor of the Agency against Mr. Gage (one also against his attorney in the federal litigation). One for \$1,000; one for \$4,500, and one for \$2,000. Mr. Hamilton recommended and Mr. Borregard concurred that this Agency should not pursue these judgments. It was the general consensus of the Commission that the judgments against Mr. Gage should not be pursued.
- (b) Mr. Hamilton reported that HUD had informed him today that Mr. Wofsy's Section 8 on the Goodman Building had been reinstated. It is now very important to have the Goodman Building vacated as soon as possible and he would be talking to the Mayor tomorrow regarding the situation.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Arnelle and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:27. p.m.

Respectfully submitted,

Patsy R. Oswald
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JUNE 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of June, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, Acting President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter Newman

and the following was absent:

Melvin D. Lee, President
H. Jesse Arnelle

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Acting President King declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Eileen Henriques, Karen Cancino, Beideman Area Neighborhood Group (BANG); Nolan Frank, L.J. & F Development Co., Mary Helen Rogers, Wade Woods and Pleasant Carson, Western Addition Project Area Committee (WAPAC); Otis McGee, Diane Millner, Millner & McGee; Mr. Lee, Lee & Hui; Martin J. O'Malley, Dennis M. Carlin, DEMCA, Inc; and Essie Collins and Roy Chew, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of June 14, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session of June 21, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Agency's offices will be closed on Monday, July 4, in observance of America's birthday.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Also, there will not be a regular Agency meeting on Tuesday, July 5, 1983. The next regular meeting will be held Tuesday, July 12.
- (c) The San Francisco State Building Authority will be meeting tomorrow June 29 at 10 a.m. in the Agency's Fourth Floor Conference Room.

NEW BUSINESS

- (a), (b) Resolution No. 179-83, requests authorization of a Letter Agreement with the City Public Utilities Commission whereby the Agency's consultant, Kennedy/Jenks Engineers, will provide necessary design services related to the Interstate 280 Transfer Concept Program in an amount not to exceed \$20,000, which will be reimbursed by the PUC; and Resolution No. 180-83, requests authorization of a Change Order to the Personal Services Contract with Kennedy/Jenks engineers to provide those design services in an amount not to exceed \$20,000 for Rincon Point - South Beach Project.

Mr. Hamilton reported on items (a) and (b) as follows. The Interstate 280 Transfer Concept Program includes the preparation of an Alternative Analysis and an Environmental Impact Report and Statement for transportation facilities that will substitute for the withdrawn segment of I-280 between its present stub at Third Street and the Bay Bridge. A Policy Control Committee, composed of the City, Metropolitan Transportation Commission, and California Department of Transportation, created to conduct the study requires certain design services in the vicinity of the Rincon Point - South Beach Project, and has made \$20,000 available for these services. The Agency, because of its current planning and design activities for the Rincon Point project, can most appropriately perform the necessary services and has been requested to do so by the Public Utilities Commission. Kennedy/Jenks Engineers is presently under contract with the Agency to develop Master Infrastructure plans for the project, which is intimately related to the I-280 study. The Contract Change Order will increase the present contract amount by \$20,000 and authorize performance of the services required by the Letter Agreement.

ADOPTION: IT WAS MOVED BY MR NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-83 BE ADOPTED.

- (c) Resolution No. 181-83, requests authorization of Exclusive Negotiations for 90 days with John O'Neill and James O'Neill for development of the parcel located at the southeast corner of Broderick and Ellis Streets in the Western Addition A-2.

Mr. Hamilton inquired if there is a request that this matter be held, and Mr. Gene Suttle, Area Director, Western Addition A-2, responded it is requested that this item be taken off the Agenda,

NEW BUSINESS (continued)

because the developers have indicated an unreadiness to proceed with the development under our restraints. Mr. Hamilton recommended removing this item from the agenda and staff would continue to work with the developer and should a point be reached where a reconsideration could be recommended, staff will do so. Ms. Blomquist inquired as to the meaning of restraints, and Mr. Suttle stated the developers had a problem with the plans allowing the number of units on the site: a density question. The developers made some density adjustments that seemed to satisfy staff, however, it did not satisfy the developer. Ms. Berk indicated as she recalled a letter had been received from a community group supporting this item and it would be helpful to receive information as to why this item will not be proceeding and Mr. Suttle indicated he would provide that information.

RULE OF THE CHAIR: ACTING PRESIDENT KING INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (c) WOULD BE TABLED. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (d) Resolution No. 182-83, requests authorization of Exclusive Negotiations for 90 days with Dennis Carlin doing business as DEMCA, Inc. for the development of the parcel located on the east side of Laguna Street between Bush and Sutter Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. Mr. Carlin plans to build two residential units, one three-bedroom townhouse and one two-bedroom flat and anticipates selling the entire building for \$335,000. Five proposals were submitted for the development of this parcel; however, staff is recommending Mr. Carlin, a developer-builder, who has constructed several similar scale buildings in San Francisco. His company, DEMCA, Inc., evidences the necessary equity capital and has a working relationship with several Bay Area banks. Mr. Carlin also has three unexercised business certificates of preference and will be exercising one for this development.

Mr. Wade Woods, WAPAC, indicated they had recommended Steve Hong who is also a business certificate holder because he proposed to build rental units, which are greatly needed in this area.

Mr. Steve O'Malley, representing Mr. Carlin recommended that the Commission approve this item and that Mr. Carlin is also considering renting the units.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-83 BE ADOPTED.

- (e) Resolution No. 183-83, requests authorization of Exclusive Negotiations for 90 days with Nolan Frank for the purchase and rehabilitation of the parcels located at 1800 Turk Street and 1107-11 Divisadero Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (e) as follows. Mr. Frank has proposed to purchase and rehabilitate these two buildings which were damaged in the Divisadero Heights fire. He will combine both properties as a single development and rehabilitate the buildings as sixteen units. He has obtained a tentative Section 8 Moderate-Rehabilitation rent subsidy from the Housing Authority for the entire development for a period of 15 years. One of the difficulties that has confronted the Agency in considering the rehabilitation of 1800 Turk has been the unique relocation needs of a long-term tenant in the building, Mrs. Robbie Hart. She has a family of ten and a handicapped son who is wheelchair-bound. Because of the size of her family and her son's special needs, she had hoped to purchase her own home; however, staff has not been able to accomplish that goal within Mrs. Hart's means. Mr. Frank's proposal will provide the Hart family, in one building, with both a four-bedroom unit and a two-bedroom unit with wheelchair access from the street and indoor access to the larger unit. Further, Mr. Frank believes he can phase the rehabilitation in such a way as to accommodate the Hart family within the project during rehabilitation. The inclusion of an opportunity for Mrs. Hart to own her unit sometime in the future has been suggested. Staff will work with Mr. Frank to work out a method by which converted condominiums could be made available to Mrs. Hart and other Section 8 renters at the end of the 15-year Section 8 contract. Mr. Frank has successfully completed rehabilitation of other properties in the Western Addition and has demonstrated his qualifications and experience in undertaking a project of this magnitude.

At this time Ms. Berk left the meeting, 4:27 p.m.

Mr. Pleasant Carson and Ms. Mary Rogers, WAPAC, indicated support for this development.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-83 BE ADOPTED.

- (f) Resolution No. 184-83, requests ratifying the submission of a grant application to the California Conservation Corps. (CCC) for \$23,460 for a street tree planting and replacement in the Western Addition A-2 and Hunters Point projects.

At this time Ms. Berk returned to the meeting, 4:31 p.m.

Mr. Hamilton reported on item (f) as follows. In June of this year, the California Secretary of Resources issued a request for proposals under a Park Restoration and Urban Reforestation Program funded by the Emergency Jobs Act. The Corps will hire their labor force from currently unemployed individuals between the ages of 18 to 23. Hiring notices have been circulated in the Western Addition and Hunters Point, as well as elsewhere in the City. The request for proposals received by the Agency on June 10 was due in Sacramento one week later, June 17. Due to the tight project deadline, staff

NEW BUSINESS (continued)

had to submit the proposal contingent on subsequent Commission approval. Two high-need street tree projects were identified. The proposal's first phase would plant Van Ness Avenue with a uniform species of large-scale street trees, between McAllister and Bush Streets within A-2. The project is conceived as a model to encourage the uniform planting of the entire 34 blocks between Market Street and Aquatic Park. The Agency would take a leadership role in transforming the character of Van Ness and big trees would do more than any other single public act to elevate the image and complement the new development along the street. This concept is compatible with the City Planning Department's recent Van Ness Avenue Plan. Under a Board of Supervisor's Resolution passed in 1963, DPW accepted maintenance responsibility for street trees in A-2 and their staff has reviewed and indicated acceptance of this maintenance. The Agency will provide design and administrative support as well as incidental material and equipment. The second phase would replace some 125 damaged or missing street trees along major streets in Hunters Point as high winds and speeding cars have taken their toll. If the Agency receives the grant, staff will notify fronting Van Ness Avenue property owners and schedule a meeting to present the proposed plan and also schedule a Public Workshop. If a favorable response is received and funding obtained, you will be requested to approve a contract before work begins.

Mr. Pleasant Carson, WAPAC, inquired why the street tree restoration in A-2 is only on Van Ness, and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated there has been 76 street trees planted in A-2 in 1983, and it is hoped an additional 84 trees along other streets in A-2.

Ms. Karen Cancino, BANG, indicated that when they wanted to plant trees in front of buildings to be rehabilitated, they were told they could not do it because of equipment and if all this redesign is being done for Van Ness Avenue in the future, why plant trees now, when they might have to be torn down because of the huge equipment and Mr. Suttle stated all construction to be done on Van Ness has been done except for two vacant lots. The Agency will plant trees there and ask that the developer protect the trees while construction is going on.

Mr. Newman inquired if this major undertaking had been coordinated with the various City Departments involved and Mr. Suttle indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-83 BE ADOPTED.

- (g) Resolution No. 185-83, requests authorization to enter into an Agreement with the San Francisco Fair and Exposition for exhibit space for the period July 28 through July 31, 1983 in an amount not to exceed \$350.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. At the first San Francisco Urban Fair held at the Moscone Convention Center, the Agency received a special award for the "Painted Ladies" victorians in the Western Addition A-2. Staff believes it is important for the Agency to participate in the Urban Fair this year as it is an opportunity to show thousands what redevelopment has done for the City. This year our booth will show the successful Urban Renewal Process in Hunters Point and highlight development advances in India Basin Industrial Park.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-83 BE ADOPTED.

- (h) Resolution No. 186-83, requests authorization of a Permit to Enter with the State of California, Division of Fairs and Expositions for their use of a portion of land located on Howard Street between Third and Fourth Streets in the Yerba Buena Center. The Permit is for the purpose of conducting a carnival in conjunction with the San Francisco Fair & Exposition for a period of five days, beginning July 26 through August 1, 1983.

Mr. Hamilton reported on item (h) as follows. The Fair and Exposition is a nonprofit organization under the auspices of the Division of Fairs and Expositions in the State Department of Agriculture. It is unique in that it is the only urban county fair in the State. Planned as a City-wide celebration, it is the intent of this Fair to involve every facet of the community. Because the Fair provides a benefit to the City and the income will be used to support future fairs and pay costs of putting on the event, staff recommends that no rent be charged. Metropolitan Parking Corporation presently rents the subject property and will lose use of approximately 580 parking spaces each day. As a result, they have asked for a rental credit for the space lost based on their rental rate which would amount to \$3,850 for the five-day period. The proposed use of the site will not conflict with any development and the appropriate insurance coverage will be provided by both the State of California, Divisions of Fairs and Expositions, and Foley and Burke. The Permit will also require the carnival operator to construct a barricade separating the adjacent parking area from the permit area and will restore the site to its original condition upon vacation.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 187-83, requests authorization to reaffirm the sales price in the Land Disposition Agreement (LDA) entered into by R. & J. Futuristic, Inc. for the sale of Parcels S-1 and S-2 in the Hunters Point Project Area.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Hamilton reported on item (a) as follows. In December, 1981, the Commission authorized execution of an LDA with the developer who proposes to build 67 single-family homes in the Phase III area of Hunters Point. The LDA was subsequently amended to extend the time of conveyance. The developers are now prepared to take conveyance and pay the purchase price of \$448,900.00 which is based on a certification of appraisals which expired on June 15, 1983. In accordance with regular procedure, staff has recertified the value which remains unchanged.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-83 BE ADOPTED.

- (b) A discussion occurred between the Commissioners, Staff and the public regarding the legal services contract with Steefel, Levitt and Weiss for the Yerba Buena Center. A transcript of that discussion is on file with the Agency Secretary and the following motion was adopted.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT THE FOLLOWING BE ADOPTED:

Award of a new contract to Steefel, Levitt & Weiss for legal services in connection with the ongoing negotiations with O & Y Corp./Marriott Corp./Beverly Willis in the Yerba Buena Center Project Area and related document preparation; and

In connection therewith, contracts will also be awarded to Millner & McGee and Lee & Hui to act as co-counsel to each other and to the Steefel firm in connection with said negotiations and document preparation and Steefel's services in connection therewith.

All legal services will be performed under the direction of the Agency Executive Director and the Agency General Counsel. The contracts will be in the Agency's usual form with an upset amount of \$50,000 for the Steefel firm and \$50,000 for the Millner and Lee firms with the Executive Director able to reallocate sums as needed with appropriate advice to the Commission.

- (c) Ms. Karen Cancino and Ms. Eileen Henriques, Beideman Area Neighborhood Group (BANG), indicated their concerns about how the development Amancio Ergina Village is proceeding and that it should be redesigned. Ms. Mary Rogers and Essie Collins, WAPAC, spoke in favor of this development.

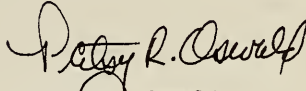
ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously

ADJOURNMENT (continued)

carried that the meeting be adjourned to a closed session on litigation.
The meeting adjourned at 5:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

September 20, 1983

83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JULY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of July, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Charlotte Berk
Leroy King, Vice President (arrived at 4:15 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee (JHC); D. L. Wallen, Arons Bldg. Wrecking Company; Ernest L. Oliver, Third Baptist Church; Mary Helen Rogers, Pleasant Carson, Western Addition Project Area Committee (WAPAC); Arnold Townsend, Fillmore Group, Inc.; Joseph Madonna, Olympia and York Equity; Reverend Tony Cooper, New Life Deliverance Center; and Alonzo and Rebecca Reece, and Mary Hona, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner, Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of May 24, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matter:

- (a) Mr. Hamilton is on vacation and is expected back in the office on Monday, July 18, 1983.

NEW BUSINESS

- (a) Resolution No. 189-83, requests authorization of a Permit to Enter Agreement with New Life Deliverance Center for the use of property in the block bounded by Fillmore, Steiner, Turk and Eddy Streets in the Western Addition A-2 for the purpose of conducting a seven-day Tent Revival Meeting from July 17 to 23 with the option of extending the agreement an additional seven days.

Mr. Kernan reported on item (a) as follows. The New Life Deliverance Center is a nonprofit religious organization headed by Reverend Tony Cooper. In July 1979 New Life Deliverance Center successfully conducted a similar event in Hunters Point. The Church will obtain the required property damage and liability insurance and clean up the area after conclusion of the Revival Meeting. The rental rate will be \$150.00 a week which is comparable to rents paid for Agency-owned land in the Western Addition A-2 project.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-83 BE ADOPTED.

- (b) Resolution No. 190-83, requests authorization of Exclusive Negotiations for sixty days with Alonzo and Rebecca Reece for the purchase and rehabilitation of 1909-11 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In April of this year the Reeces were forced to temporarily relocate, due to the Divisadero Heights fire. They wished to return to the Western Addition neighborhood, and expressed their interest in purchasing a two unit Italianate Victorian in the Beideman Historic Neighborhood. This parcel, one of six properties recommended for a public offering at the meeting of June 7, 1983, was deleted from the offering based on the Reeces' interest. Mrs. Reece holds a Western Addition A-2 Certificate of Preference, which will be exercised for this property. They have the equity capital needed and have begun working with an architect and general contractor to meet the submittal requirements of Exclusive Negotiations.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-83 BE ADOPTED.

- (c) Resolution No. 191-83, requests authorization of a Second Amendatory Agreement to the Land Disposition Agreement (LDA) with Third Baptist Church of San Francisco, Inc. for the parcel located on the block bounded by Eddy, Fillmore, Steiner, and Turk Streets in the Western Addition A-2. The Amendatory will extend the dates in the Schedule of Performance for approximately 90 days.

Mr. Kernan reported on item (c) as follows. The LDA was approved in May, 1982. The Developer originally proposed to build, in three phases, a commercial/office building, an elementary school and a sanctuary. The Developer's architects have completed the schematic drawings, which have been approved by staff. However, the demand

NEW BUSINESS (continued)

for office space has been lessened, raising concern regarding that portion of the development program. In February 1983 an extension was granted to allow time to analyze the viability of the office space. Economic consultants Keyser-Marston were retained to study the commercial/office building, which study supports the commercial/office uses but with some reservations and recommended that a marketing effort precede further costly design work. The Developer has begun to market both the office and commercial space and is requesting a 90-day extension to successfully market the building before completing the design. The revised schedule would be for Submission of Preliminary Construction Documents from June 1983 to September 1983; Submission of Final Construction Documents from November 1983 to February 1984; Submission of Evidence of Financing from February 1984 to May 1984; and Conveyance of the Site from April 1984 to July 1984.

At this time Mr. King arrived, 4:15 p.m.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-83 BE ADOPTED.

- (d) Resolution No. 192-83, requests authorization to regrant Exclusive Negotiations until October 26, 1983 with The Fillmore Group, Inc. for the development of parcels in the block bounded by Webster, Fillmore, Eddy and Ellis Streets in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. Exclusive Negotiations were authorized in March, 1983 based upon The Fillmore Group's proposal to develop approximately 125 residential condominiums, a 1,500-seat dinner theatre, four cinemas, approximately 10,000 square feet of commercial space and a 3-story parking structure. On May 10, 1983 Exclusive Negotiations were regranted to July 1, 1983. Despite a diligent effort, the Developer has not been able to provide evidence of equity capital and has requested that it again be regranted Exclusive Negotiations so that it can continue to consider, in the light of the economic feasibility, the revision of certain aspects of the proposed development.

President Lee inquired who the architect is for this project, and Mr. Arnold Townsend responded Dodge and Davis.

Mr. Newman inquired what is the status of the project and if there has been statements of interest from any financial institutions, and Mr. Townsend indicated they have had interests that they are satisfied with.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-83 BE ADOPTED.

- (e) and (f) Resolution No. 193-83, requests an extension to October 13, 1983 of the Offer to Negotiate Exclusively for development of the Central Blocks with O & Y Equity Corp./Marriott

NEW BUSINESS (continued)

Corp./Beverly Willis; and Resolution No. 194-83 requests an extension to October 13, 1983 of Exclusive Negotiating Rights for development of the parcels located on the east side of Third Street between Mission and Howard Streets known as East Block 2 in Yerba Buena Center.

Mr. Kernan reported on items (e) and (f) as follows. In April 1983 O & Y was granted an extension to July 13 for Exclusive Negotiating Rights for these parcels. There is substantial progress in the negotiations with O & Y including the terms of the disposition documents. When the draft Development and Disposition Agreement (DDA) is executed by the developer, there will be an appropriate period for public review prior to the public hearing and Commission consideration.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-83 BE ADOPTED.

- (g) Resolution No. 195-83, requests authorization to award Demolition and Site Clearance Contract No. 48 to Arons Building Wrecking Company in the amount of \$88,775 for demolition of three buildings in Yerba Buena Center.

Mr. Kernan reported on item (g) as follows. On April 19, 1983, advertisement for bids was authorized for the demolition and clearance of 355 Fourth Street, 87-97 Third Street/694-698 Mission Street and 676-678 Mission Street. Also, staff recommends including a vacant two-story brick building at 109-11 Third Street, which has no significant architectural merit and is not feasible to rehabilitate. Demolition of this building could eliminate potential liability problems. This work, estimated to cost \$12,000 can be added to the contract by a change order. Eleven contractors requested bid documents, and nine submitted bids. Two bid alternatives were provided: Alternative A provides for demolition and fencing only, while Alternative B includes, in addition, backfilling of basements. The purpose of providing Alternatives was to determine the economic feasibility of having 87-97 Third Street and 676-678 Mission Street filled to sidewalk grade, so the site could be utilized for parking until their planned developments are realized. Arons Building Wrecking Company was the low bidder for Alternative A at \$64,776, and Alternative B at \$88,776. The Engineer's estimates for Alternatives A and B are \$109,033 and \$134,033, respectively. Staff has reviewed the contractor's bid price for backfill and considers it reasonable. Staff has met with the contractor and reviewed and approved his affirmative action and Safety Program. Arons Building Wrecking Company, located in Sacramento, has satisfactorily performed work for the Agency previously, and is reportedly performing satisfactory demolition work in the City's Financial District.

NEW BUSINESS (continued)

Ms. Blomquist inquired if Breen's and the Jessie Street Hotel were on this demolition contract and Mr. Kernan indicated no.

Ms. Blomquist inquired if demolition of 109-11 Third Street would damage the Williams Building and Mr. Kernan indicated no.

President Lee inquired if the backfilling would include blacktopping and Mr. Kernan indicated no.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KERNAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-83 BE ADOPTED.

- (h) Resolution No. 196-83, requests authorization to execute a Personal Services Contract with Real Estate Research Corporation for Reuse Appraisal Services in the amount of \$25,000 for the Yerba Buena Center.

Mr. Kernan reported on item (h) as follows. In connection with the disposition of property in Yerba Buena Center and to obtain updated appraisals for those parcels whose price has expired, and to complete the remaining valuations in the Central Blocks, staff requires the services of a firm knowledgeable and experienced in appraisal and economic analysis of multi-use developments. Real Estate Research Corporation has sufficient expertise and data bank to ensure a professional appraisal report.

President Lee inquired how many appraisals had expired, and Mr. Richard Kono, Acting Director of Development, responded appraisals had expired on nine buildings.

Mr. Kernan noted that the contract also includes the Central Blocks.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 197-83, requests authorization of a contract with the City and County of San Francisco, which assigns to the Agency the City's right to monitor Davis-Bacon compliance for the Merchandising Methods, Inc. (MMI) development within India Basin Industrial Park.

Mr. Kernan reported on item (a) as follows. In December 1982 the Secretary of Housing and Urban Development (HUD) executed an Urban Development Action Grant (UDAG) to the City for MMI's development project in an amount of \$485,000, which was accepted and signed by Mayor Feinstein on March 10, 1983 and returned to HUD. In May 1983 a contract was authorized with the City, which established responsibilities for the administration of the UDAG for MMI's development. While specific administrative tasks were delegated to the Agency, administrative and contractual control of the UDAG grant agreement remains the responsibility of the Mayor. A condition of the UDAG with MMI is that the funds must be used in a

Minutes of a Regular Meeting, July 12, 1983

MATTERS NOT APPEARING ON AGENDA (continued)

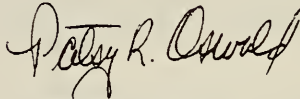
manner consistent with the Davis-Bacon Act, which establishes minimum wage rates for employment. Because MMI's development is occurring within a redevelopment project area and is being monitored by Agency staff, an agreement has been reached between the City and Agency which specifies that staff should also be responsible for the monitoring of the Davis-Bacon requirements, and all other administrative tasks will be performed by the City.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

July 26, 1983

5
/83
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JULY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of July, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary D. James, The James Co.; James Broussard, JPB Industries; U.J. Montgomery, Western Addition Homeowners Residents Council and Montgomery & Company, Inc.; Paul Combs, Combs Construction; C. Joanne Whitt, Campeau Corporation; Mary Rogers, Pleasant Carson, Lavolia Baker, Western Addition Project Area Committee (WAPAC); and Nolan Frank, Morris Phillips, and Leola King Wilson, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of June 21, 1983, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Resolution No. 188-83, requests authorization of Exclusive Negotiations for 60 days with the James Company for the purchase and rehabilitation of 1300 Golden Gate Avenue/1101-1123 Fillmore Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This property was the subject of Rehabilitation Offering No. 21. Last month rejection of the four responses received was authorized along with re-offering of the property as Offering No. 21-A. Five responses were received,

NEW BUSINESS (continued)

one of which was from the James Company under Preference Category I. Given the strong response received from The James Company, the other responses were not evaluated beyond the determination that three of the four were complete and responsive to the Offering. Category I required an ownership interest of Mary James in the project and at least 40% Certificate of Preference Holder ownership and equity participation. The James Company response is complete and addresses each of the requirements of the offering. The proposed limited partnership will include two certificate holders whose interests and equity participation will total the 40% required by the offering and will be exercised when the Disposition Agreement is brought forward. Ms. Eiko Mizuhara whose deceased husband owned the former drug store where Ms. James currently operates her business will have 30% interest and Mr. George Nolley, a resident of the Western Addition will have a 10% interest. The partnership includes individuals with the financial capacity and rehabilitation experience needed to assure the successful completion of the project. After several unsuccessful past attempts to proceed with this project, staff is gratified to receive such a strong and well substantiated package on Ms. James' behalf.

Mr. U.J. Montgomery, Montgomery & Company and Western Addition Homeowners Residents Council, read a telegram to the Commission, which requested action on Offering 21-A be deferred until he and WAPAC had an opportunity to review all the proposals submitted, as he was concerned that he had no knowledge of how the Certificate Holders are participating in the program. Mr. Hamilton indicated he found it difficult to deal with a representation as to WAPAC's intent that has not been WAPAC's position and would prefer to have that expressed directly by them.

Mr. Suttle indicated that WAPAC had supported Ms. James and the arrangement of Category I, as did Mr. Montgomery at the presentations made before WAPAC. Mr. Montgomery indicated the issue was not support of Ms. James, but that he would like to see documentation that shows that the requirements of the Offering have been met.

President Lee indicated he was sure legal staff would comply with the request to see the documents and Mr. Hamilton indicated he has gone over the documents with the Legal Division and everything is in order.

Mr. Howard Fine, Baker and McKenzie, representing Leola King Wilson, indicated that the documents made available of Ms. James' proposal did not comply with the equity requirements of the Offering. Mr. Borregard responded that the documents were made available to the firm of Baker and McKenzie, except for confidential financial information, which is this Agency's policy not to reveal. Mr. Borregard indicated that all material had been reviewed and in his opinion the James Company proposal in all respects, fairly and honestly meets the requirements of the Offering and the proposal is complete.

NEW BUSINESS (continued)

Mr. Pleasant Carson, WAPAC, indicated essentially he is supporting Ms. James, but objected to not getting to see each proposal submitted.

Ms. Mary Rogers, and Ms. Lavolia Baker, WAPAC, indicated support of Ms. James' proposal and staff's recommendation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-83 BE ADOPTED.

- (b) Resolution No. 198-83, requests authorization of a First Amendment to the Agreement for Professional Services with Barton-Aschman Associates, Inc. for the completion of the Transportation Management Plan for the Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. One of the mitigation measures within the First Supplement to the Final Environmental Impact Report required that the Agency prepare and adopt a Transportation Management Plan for Yerba Buena Center. Barton-Aschman Associates, Inc. has been under contract with the Agency since February 1982 to prepare the Transportation Management Plan for the YBC Project, including the Central Blocks. However, the lengthy negotiations with O & Y have required the consultant to analyze additional data, participate in numerous additional meetings and provide ongoing analysis not included in the original contract. In addition, the completion of the Plan was not possible within the original schedule because sufficient information was not available and the Plan was held in abeyance pending substantial progress in the negotiations. The negotiations have progressed to a point where the Transportation Management Plan can now be completed; however, there are not sufficient funds remaining in the contract to complete the Plan and provide the necessary professional transportation advice while the Disposition and Development Agreement is being completed. Staff has negotiated a First Amendment with the consultant and arrived at an agreed upon cost not to exceed \$7,000.

Ms. Blomquist requested an update on the costs of consultants for Yerba Buena Center and Mr. Hamilton indicated that would be provided.

At this time President Lee indicated the meeting would be recessed for a few minutes. The meeting recessed at 4:47 p.m. and reconvened at 4:51 p.m. with the same roll call.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-83 BE ADOPTED.

- (c) and (d) Resolution No. 199-83, requests authorizing the issuance of Yerba Buena Center Bonds; and (d) Resolution No. 200-83, requests authorization to provide for the public sale of these bonds and execution of related documents.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (c) and (d) as follows. Staff has been negotiating with various San Francisco financial institutions for several months in anticipation of the need to obtain sufficient funds to pay the balance of the purchase price of the GSA property and to pay off the remaining HUD loan in connection with the closeout of Yerba Buena Center. These efforts have resulted in the agreement by the Bank of America to serve as financing consultant to the Agency in connection with the issuance and public sale of revenue bonds to provide the necessary funds in an amount not to exceed \$28,000,000. On May 10, 1983 this Commission expressed the Agency's intention to issue the bonds and on May 23, 1983 the Board of Supervisors approved the Agency's issuance of the bonds. The subject resolutions formally authorize the Bonds and provide for their public sale on July 26, 1983. The interest rate on the Bonds will be a floating rate determined at the public sale; however, staff believes that it will be a rate lower than .68% of the prime rate. As security for the payment of principal and interest on the Bonds, B of A will issue its letter of credit, a security which is expected to result in AAA ratings on the Bonds. The Agency, in turn, agrees to reimburse any drawings under the letter of credit immediately and to issue and sell refunding bonds should land sale proceeds, or other Agency sources of repayment be insufficient. B of A and the Bond holders will also be given a security interest in certain unsold properties in YBC and could foreclose upon the properties if adequate sources of repayment of the Bonds or reimbursement of drawings under the letter of credit are not otherwise available to the Agency. Staff has made careful and extensive analysis of the terms of this financing and believes that the sale of the pledged Agency property will provide adequate revenue to assure repayment. Staff believes that borrowing the necessary funds to buy the GSA property and repay the HUD loan is essential to the Agency program for the Project Area.

Mr. David Oster, Assistant General Counsel, indicated that there is a significant change in the documents as presented, regarding the reimbursement agreement under the letter of credit. As Mr. Hamilton mentioned, if the Agency is unable to repay the principle or interest on the bonds, Bank of America has issued a letter of credit to provide for that payment, and the Agency is then obligated to repay the Bank of America. The commitment of the Bank in approving this deal is that the Agency's obligation to reimburse the Bank is a special obligation; and therefore that the only sources of repayment to the Bank for drawings under the letter of credit are either proceeds from the sale of those properties which are identified in the resolution, or payment of the increment, which the Agency is entitled to garner from YBC. Other than those two sources of repayment, the Agency is not obligated and will not be obligated to repay the Bank for drawings under the letter of credit. That is different from what now appears in the documents, but is a change which the Commission is requested approve in addition to the other general changes.

NEW BUSINESS (continued)

Ms. Blomquist inquired what happens to the pledged properties if they get sold, and Mr. Hamilton responded that the money would retire the pledge. Ms. Blomquist inquired why the bonds could not just strictly rely on tax increment, and Mr. Hamilton indicated because it is insufficient. Ms. Blomquist inquired what the total dollars are to Bank of America and Mr. Oster indicated the total up front dollars are in the area of \$400,000, which depends on the exact amount of the letter of credit, or about 1½ percent of \$28,000,000. They will also receive an ongoing fee that is not identifiable at this time, which is the difference between the interest on the bonds and 68% of the prime rate. Ms. Blomquist inquired what the "ball park" figure was on that and Mr. Oster indicated it depends on what the bond market is in the future. Ms. Blomquist inquired if the bond issues could be retired early so that it can't be an excuse for not disposing of the property, and Mr. Oster indicated that the bond issue is technically a seven-year issue and the Agency is able to prepay the bonds with a slight redemption penalty beginning next year and by 1987 there is no prepayment penalty. Also, any time the bonds are held by the Bank of America, there is no prepayment penalty, so under those circumstances, the Agency can retire the bonds at any time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-83 BE ADOPTED.

- (e) Resolution No. 201-83, requests authorization of a Personal Services Contract in modified form with Birr, Wilson Company, Inc. for financial advisor/bond underwriter services for Rincon Point - South Beach.

Mr. Hamilton reported on item (e) as follows. In May 1983 the Commission approved a Personal Services Contract with Birr, Wilson for financial advisor/bond underwriter services for Rincon Point - South Beach, which required the contractor to provide errors and omissions insurance as well as general liability insurance coverage. They have not provided us with the required insurance. Birr, Wilson advises us that they thought the errors and omissions insurance was covered by their standard liability insurance policy and has since learned it is not and will cost them an additional \$4,000. Accordingly, they are now requesting the Agency either delete the requirement or pay the \$4,000 that they would incur. Staff questioned whether or not errors and omissions insurance is needed for the services to be provided and is it worth an additional cost of \$4,000. Upon consideration of all the circumstances and the nature of the services, it is staff's view that the exposure of the Agency under this contract is relatively minimal and, therefore, the errors and omissions insurance protection requested is not worth the additional cost.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-83 BE ADOPTED.

- (f) Resolution No. 202-83, requests authorization to accept a Pre-Preliminary Development Proposal of Campeau South Beach Properties for the property located on the block surrounded by First, Brannan, Colin P. Kelly, Jr., and Townsend Streets in the Rincon Point - South Beach. Acceptance would be subject to several exceptions, limitations and conditions.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner, item (f) would be continued for one week. There being no objection it was so ordered.

- (g) Resolution No. 203-83, requests authorization for Ed Ong, Chief, Architecture, Helen Sause, Project Director YBC, and Redmond Kernan, Deputy Executive Director to travel to Toronto, Canada July 21-24 for the purpose of reviewing the design of the Central Blocks legal drawings and presentation materials being prepared for the DDA documents and most significantly for the presentation to the public in an amount not to exceed \$1,800.

Mr. Hamilton reported on item (g) as follows. There are several elements that must be accomplished having to do with the basic design and concepts that must be completed before the DDA can be considered. The Zeidler-Roberts firm, as master architect for the project, is preparing drawings and additional presentation materials in its Toronto office. The developer has asked that the Agency send its design review team and program staff to evaluate the progress of the work and provide input, as well as recommendations on the preparation of the drawings. Since the architects are working under a scheduled completion date of mid-August, it becomes critical that their work be evaluated quickly and changes identified immediately. The developer has offered to pay the cost of air fare for those individuals who would go. It is important to send staff particularly those who have been working most closely on the design process. The design consultants, Messrs. Rai Okamoto, Harry Weese and Hideo Sasaki will be requested to attend. Mr. Tom Aidala is unable to attend, but will review the materials in San Francisco. It is also recommended that the Mr. Lu Blazej of City Planning attend in his function as ongoing liaison. He has been extremely helpful in sharing City Planning perspectives and thoughts. The expenses involved will include subsistence and hotel expenses only for the travelers. The consultants' expenses will be billed from their contracts.

Mr. Hamilton indicated that he was not unaware of the large delegation, nor of the fact that the developer considers it important that the Agency have the broadest input from all the people who have been involved in the program at this juncture. Though they wanted him to go, Mr. Hamilton felt it was not necessary for both he and Mr. Kernan to be there.

NEW BUSINESS (continued)

Ms. Blomquist indicated she was against this as the developer and staff could go on a track unacceptable to the Commission. If Mr. Tom Aidala can review the documents in San Francisco why not staff and the Commission? If the developer has taken his team back to Toronto, that is his problem as YBC is being built in San Francisco, and should be reviewed here, because once it gets started, who knows when the Commission will be able to change what staff has already done. This makes her very nervous and she is very much against it.

Mr. Hamilton indicated that he too would be concerned if this was the way the Agency would be doing business. However, O & Y did have a heavily staffed firm established in San Francisco only to discover the process through which the developer and Agency were going through did not make having an office here cost effective. It is fully expected that O & Y will re-establish that office, and there will not be a necessity for travel to Toronto to review the drawings. It would be more helpful if Mr. Aidala were there on the spot to make comments, however, whatever comes out of this work session will be the subject of a special review and briefing informally of the Commission on August 2, 1983.

Ms. Blomquist indicated if the Commission finds major problems with what staff and the developers do in Toronto, the Commission won't be able to change it. Mr. Hamilton responded that he saw no reason why the Commission could not change something they do not like, and structurally he sees very little difference in this situation than in the way the negotiations have proceeded. The staff, as it should have, has negotiated with the developer and then returns to the Commission, who has changed things as they believed necessary. Though it is not preferable to have the meeting occur in Toronto if the current schedule is to be met it has to occur there, because Zeidler-Roberts could not set up an office here that quickly. This meeting will then be subjected to the same review and change if the Commissioners wish, that would have occurred had it been on Montgomery Street.

Ms. Berk indicated she is troubled by the same things that Ms. Blomquist is and the designs that this Commission eventually decides on are something that San Francisco will have to live with for the rest of time. With this delegation meeting in Toronto, it makes it difficult for the Commission to have any notion of what is occurring. The Commission wants to go to the public with something they feel is the best possible proposal for them to react to and she was concerned that it might not happen.

Mr. Hamilton indicated that assuming O & Y team were assembled here, and the meeting took place on Second Street, the work product would then be the subject of an independent briefing with the Commission, that is what is going to happen now.

NEW BUSINESS (continued)

Mr. Newman indicated he had hesitancy in staff going to Toronto, but in the interest of expediting this matter, the staff can recommend and discuss, but he personally will not give up any of his prerogatives to change anything that comes before him as a result of this meeting.

Mr. King indicated he basically agrees with what Ms. Blomquist and Ms. Berk said, but feels trapped in a "Catch-22". He does not really like the idea of Zeidler-Roberts calling staff back to Toronto, as they agreed to set an office up in San Francisco and he too is not going to give up any of his prerogatives, nor is staff going to make any private decisions. Staff still must come back to this Commission.

Mr. Mardikian inquired if in selecting O & Y to negotiate with, were commitments made by O & Y as to the permanency of a San Francisco site office and Mr. Hamilton indicated that in the selection it was requested by the Commission and agreed to by O & Y that they would set up an office in San Francisco, which one would assume meant all of the various design functions, which were part of the development activity, would be serviced out of San Francisco; and as indicated in his opening comments, Ziedler-Roberts did set up a large office here in San Francisco initially. They had anticipated that the proposal, which they prepared to make rather quickly to the Agency, would be accepted and that they would have started work on the schematic drawings and then very quickly been into working drawings. When the extended process of a concept selection occurred, which was many months before one could even begin to think conceptually about the project, Ziedler-Roberts decided that the San Francisco office was not cost effective, so they closed the office and Mr. Ian Gruenelle was made available to service their needs. However, it has always been expected that when this stage was past, they would re-establish a San Francisco office and it is not anticipated that any other meeting will occur away from the site other than this one on design.

Mr. Mardikian indicated that he is in sympathy and agreement with the thoughts expressed by Ms. Blomquist, but also a need and desire to see this project expedited. He also wanted to echo Mr. Newman's comments and indicated that language should be added to the resolution calling upon O & Y to re-establish their office in San Francisco, which is where, in fact, it is this Commissions' understanding that these activities were supposed to take place.

Mr. Hamilton indicated they would do that, which reinforces something he already said, but wanted to re-emphasize that when he first read and analyzed this trip it was his judgment at the time that he would go either as a substitute for one of the individuals that was going or as an addition. But upon thinking it through for the very concern that has been expressed by Ms. Blomquist and Ms. Berk and that Mr. Newman is projecting, he elected not to go, because unless he is there, it cannot be final, even from the staff

NEW BUSINESS (continued)

level. If he is not there, there can be no misunderstanding about the fact of whether it has been blessed or not.

Mr. Newman indicated that, so there will be no possibility of a misunderstanding he requested the Director send a letter with the delegation, setting forth the opinions of all the Commissioners to the effect that no decision should be reached in Toronto, and that the approval of everything that will be discussed still remains in the hands of the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, THAT RESOLUTION NO. 203-83 BE ADOPTED, AND ON ROLL CALLED THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Mardikian
Mr. Newman
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (h) Resolution No. 204-83, requests authorization to award Residential Construction Contract No. to Combs Construction in the amount of \$79,949; and to utilize the Opera Plaza Housing Development Fund in an amount not to exceed \$85,000 to finance payments under this contract and related expenses. These actions are for construction of two demonstration expandable homes on Innes Avenue in Hunters Point.

Mr. Hamilton reported on item (h) as follows. In December of last year the Commission authorized development of two demonstration single-family homes in Hunters Point designed by staff architect George McLaughlin. It was believed they showed great promise in affording opportunities for home ownership in this difficult financial climate. Four bids were received for construction with Combs Construction, the low bidder, at \$79,949. The architect's estimate was \$105,844. The proposed homes are presently burdened by easements in favor of the adjoining property owner Unity Homes. However, oral assurances have been given by representatives of Unity Homes that they will execute the necessary quitclaim deed to resolve it. Also, it is proposed that Opera Plaza Housing Development Funds be used to make payments to the contractor, plus contingency funds

NEW BUSINESS (continued)

to cover the cost of certain improvements in connection with the relocation of the easement line and other possible changes. It is proposed that the funds be advanced as needed at an interest rate equal to the Agency's earning rate on the Opera Plaza Housing Development Fund. Principal and Interest is to be repaid to the fund from the sales proceeds of the houses. It is expected the construction period will not exceed 6 months. The houses are readily saleable and staff is preparing a screening and selection process for buyers. The present sales program includes provision of FHA Mortgage Insurance to secure a mortgage issued by Imperial Bank. Imperial Municipal Services Corp., a subsidiary of Imperial Bank, will purchase a tax free bond issued by the Agency to advance into the loan. In the event these arrangements are not completed, the homes will be sold conventionally.

Ms. Mary Rogers, WAPAC, indicated she was not opposed to building housing in Hunters Point, but was opposed to using funds committed for A-2 for this purpose, and requested this item be held over. Mr. Hamilton indicated there would be a problem in putting over this item as the bid is only good until this Friday, and also, there is a considerable benefit to using these funds that will be repaid with interest.

Ms. Blomquist inquired what the length of time was for repayment of the money and Mr. Hamilton indicated six months.

Mr. Pleasant Carson, WAPAC, indicated that staff waited until the last minute to inform WAPAC; they have not reviewed how the Opera Plaza money will be used; and requested this item be tabled until staff and WAPAC can sit down and discuss this matter.

Ms. Lavolia Baker, WAPAC, indicated she was concerned about getting this information at the last minute.

Mr. Hamilton indicated that there had not been time without penalty to inform WAPAC. If the award is not made now, the price would be significantly different and staff would like to keep this favorable bid.

Mr. King indicated that the loan from the fund will be paid back with interest in six months. Also, staff should sit down with WAPAC and go over the fund with them. Ms. Blomquist also indicated staff should go over the fund with WAPAC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-83 BE ADOPTED.

ADJOURNMENT

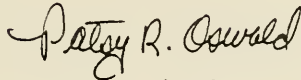
It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on litigation.

Minutes of a Regular Meeting, July 19, 1983

ADJOURNMENT (continued)

The meeting adjourned at 5:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

October 18, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF JULY 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of July, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Serk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnette (arrived at 4:25 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Barbara McLeod, Mattison & Shidler; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Roslyn Baltimore, Eddy Place Associates; Bernice Watkins, Local 400; Wardell Jackson, Local 390/400; and Ocie Mae Rogers and Jack Bono, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of July 12, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Construction Bids were opened on Friday, July 22 for the State Office Building, which will be built in the block bounded by Van Ness Avenue, Golden Gate Avenue, Franklin and McAllister Streets. The State Engineer's estimate was \$36,572,000. Eleven bids were received with the apparent low bidder Stolte, Inc. NME of Oakland at a bid of \$25,750,000. The bids ranged from the Stolte low to a high of \$31,266,720, with most bids in the \$26 Million range. The award of the contract will be made September 19, 1983.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Last year the pre-training of 50 residents of the Western Addition for employment opportunities with Safeway was in full swing. All were initially hired as Courtesy Clerks upon completion of their training. One of the trainees has now been promoted to that of Apprentice Food Clerk, and it is hoped the first in a series of promotions in the near future.
- (c) On Friday, July 22, Cal Boating authorized a \$4.5 Million loan for Phase I of the Small Boat Harbor for the Rincon Point-South Beach Project. Construction is expected to begin this Fall.
- (d) This year's Urban Fair begins Thursday, July 28 and will end Sunday, July 31 from 10 a.m. to 10 p.m. The Agency will have #67. Ms. Patricia Feinsilver will again be coordinating the exhibit, which will center on the new Hunters Point-India Basin Redevelopment Projects.
- (e) As of Friday, July 22, Mr. Roy and Janet Chew have completed the rehabilitation of 1400 Post Street, which took approximately four months.

UNFINISHED BUSINESS

- (a) Resolution No. 202-83, requests authorization to accept a Pre-Preliminary Development Proposal of Campeau South Beach Properties for the property located on the block surrounded by First, Brannan, Colin P. Kelly, Jr., and Townsend Streets in the Rincon Point-South Beach.

Mr. Hamilton reported on item (a) as follows. This item was continued from the meeting of July 19, 1983 and it is further requested that this item be continued at the developer's request for two weeks.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that Item 8(a) would be continued to August 9 at the developer's request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 205-83, requests authorization to award Site Improvement Contract No. 40 to Abbett Electric Corporation, in the amount of \$64,475.

Mr. Hamilton reported on item (a) as follows. This contract provides for the construction of left turn lanes on Webster Street at the intersection of O'Farrell Street, to allow orderly and safe flow along Webster Street of an increased traffic volume anticipated to be generated by Safeway Stores, Inc. The contract also includes landscaping of the medians, modifications to the existing irrigation system and relocation of street lights. Eleven contractors

NEW BUSINESS (continued)

requested bid documents, however, only one bid was received. Staff conducted a telephone survey to determine why there was such low interest. Contractors indicated several reasons for not bidding on this contract including a heavy current workload and this job was not their specialty. The sole bid is 2.3 percent above the Engineer's estimate of \$63,040. However, the bid unit costs, upon analysis, were considered reasonable and staff believes that rebidding this contract may not produce a more favorable bid. Abbett Electric Corporation has satisfactorily performed as a subcontractor on previous Agency site improvement contracts in India Basin and Hunters Point. They have also performed as a prime contractor on a number of contracts for the City.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-83 BE ADOPTED.

- (b) Resolution No. 206-83, requests authorization to execute a Sixth Amendatory Agreement to the Land Disposition Agreement with Eddy Place Associates for the parcel located on the south side of Eddy between Franklin and Van Ness in the Western Addition A-2. This Sixth Amendatory Agreement will extend the dates in the Schedule of Performance for approximately 90 days.

Mr. Hamilton reported on Item (b) as follows. An LDA was approved in September, 1981 with Eddy Place Associates who originally proposed to develop 10,000 square feet of office space and four residential condominiums. Subsequently, the Developer in February 1983 was authorized to add a third floor of office space and eliminate the four residential condominiums. The building has been redesigned and issuance of the building permit is eminent. Eddy Place Associates is acting as general contractor for this development and has been negotiating with lenders through its mortgage broker Real Estate Funding Service Incorporated. Roslyn Baltimore, the General Contractor has indicated a commitment letter will be issued in five weeks. Eddy Place Associates has requested a 90-day extension of the performance dates in the LDA which revises the submission of evidence of financing from June 5 to October 5, 1983; and conveyance from July 27 to December 7, 1983.

Ms. Roslyn Baltimore, Eddy Place Associates, indicated she has not talked with a lender directly, but is negotiating through the broker who has made contact with the lender. Mr. Hamilton inquired what the broker had assured her and Ms. Baltimore indicated that they are in the final phases of approving the loan and should have something very soon. Mr. Hamilton inquired in what time context would she expect a decision from the lender and Ms. Baltimore indicated hopefully a verbal decision would be made within a week and then it is only a matter of putting it in writing in the form of a formal letter, which could take an additional two to three weeks.

President Lee inquired if Ms. Baltimore was acting as general contractor, and Ms. Baltimore indicated only as half the general

NEW BUSINESS (continued)

contractor and that Patrick Connley, who has a contractor's license, is the other half.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-83 BE ADOPTED.

- (c) Resolution No. 207-83, requests authorization to enter into an Owner Participation Agreement with Thelma Dolores Wall for the rehabilitation of 1301 Van Ness Avenue, a commercial structure on the westerly side of Van Ness Avenue between Sutter and Fern Streets in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. This two-story commercial structure with basement, has been identified as one of 27 buildings along the Van Ness Avenue corridor as having unique architectural facade qualities. As automobile showroom activities along Van Ness are declining, other commercial mixed uses are replacing this former "auto-row". Mrs. Wall, who has entered into a long term lease agreement with Mattison & Shidler as master tenants, proposes to participate in the Agency's Rehabilitation Program in accordance with the Western Addition A-2 Plan. Plans and specifications have been prepared by registered architects and approved by staff. All improvements for this property will be privately financed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-83 BE ADOPTED.

- (d) Resolution No. 208-83, requests authorization to approve a resolution establishing Agency classification and rates of pay effective July 1, 1983.

Mr. Hamilton reported on item (d) as follows. The Commission was advised that staff would not be recommending adoption of the Carey Associates' recommendations as contained in the final report on the salary and classifications study of Agency positions. In view of this it is recommended that the Agency continue with the present classification and pay systems. The Carey Associates salary classification study confirmed that some changes in classifications are appropriate, primarily as a result of the office consolidations and staff reductions. To address this, staff will re-evaluate the various classifications and seek additional input and assistance from the Civil Service Commission staff to identify as accurately as possible City jobs which are comparable to Agency jobs. Where such classifications have been identified the City pay level will be utilized. Where comparable jobs cannot be found staff will recommend alternatives. Although staff will complete the work as quickly as possible, completion of the process is very likely to be several months away. Therefore, in order not to penalize employees in the interim, staff is recommending adoption of a salary resolution based upon existing job classifications and job comparables, updated to conform to City and County pay levels for 1983-84. The average increase for Agency employees is 6.23 percent,

NEW BUSINESS (continued)

which compares to an average increase of 6.28 percent for City employees. This minor difference results from the different job mix between the City and the Agency.

Mr. Wardell Jackson, representing Local 390/400 requested that the Commission not use any part of the Salary and Classification Report performed by the Carey Associates. He indicated they were in agreement with the proposal to establish the compensation as it is now with the City, but would like to reserve in the future time to come before the Commission again with a recommended 10% salary increase for the entire bargaining unit.

Mr. Arnelle arrived at this time, 4:32.

Mr. Hamilton indicated that with respect to the use of the Carey Report, it is not staff's recommendation that the Commission adopt the study for the reasons stated previously. However, staff will look to that report as a research document.

Ms. Bernice Watkins, Local 400, emphasized the Carey Associate Study should not be used.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 209-83, requests ratification of action taken in requesting an extension of time to pay the balance of the purchase price and authorizing payment of interest for the purchase of 49 Fourth Street in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. Yesterday it became necessary to request an extension of time until August 12 to pay the \$15,660,000 owed GSA on 49 Fourth Street. GSA approved the extension conditioned on paying interest on the amount owed them. At the Agency meeting of July 19, resolutions were approved which provided for public sale at 10:00 this morning of Agency Revenue Bonds in an amount not to exceed \$28,000,000 in order to obtain sufficient funds to pay the balance of the purchase price for the GSA property at 49 Fourth Street and to pay the balance of the HUD loan for the Yerba Buena Center Project Area. However, within the last few days, technical problems in structuring the bond issue arose, which have resulted in a delay in the preparation of the necessary documents and accordingly no bids were received at the public sale. Staff believes that the issues have now been resolved and have published the required notice for a bond sale to occur on August 9. The necessary Commission actions will be calendared for the meeting of August 2.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-83 BE ADOPTED.

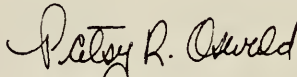
MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Ms. Mary Rogers, WAPAC, indicated that there is a problem that needs to be resolved in the community, which has been brought to the attention of the Commission several times; and that is the availability of the Section 236 housing to displacees. She requested that a meeting be set up with those managers and sponsors with representation from WAPAC, Agency staff and one or two Commissioners to explore what can be done to get those units opened up. Mr. Hamilton inquired if this has been discussed with Mr. Earl Mills and Ms. Rogers indicated no, but has been brought to the attention of Agency staff. Mr. Hamilton suggested that Ms. Rogers arrange to meet with Mr. Mills and to provide him with specific information and documentation.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Arnette, and unanimously carried that the meeting be adjourned to a closed session regarding litigation. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

August 9, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF AUGUST 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of August, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were T. Conrad Monts, N. Smith, Travenca; Fred Powell, VBN Corp; Ocie Mae Rogers, Joint Housing Committee (JHC); Lavolia Baker, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); James V. Gibbs, Grass Roots Community; and Jesse Ivy, Vera Clanton, Willie Ballard, Harold Bexton, Ernest L. Oliver, Dr. James McCray, Jr., Mrs. Amos Herd, Reverend Amos Brown, Arnold G. Townsend, Reverend L. V. Woods and Mervyn J. Goodman, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of May 10, 1983 as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of a closed session of June 28, 1983 as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of a closed session of July 12, 1983 as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of a closed session of July 19, 1983 as distributed by mail to the Commissioners, be approved.

Minutes of a Regular Meeting, August 2, 1983

APPROVAL OF MINUTES (continued)

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of a closed session of July 26, 1983 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Once again the Urban Fair was a great success with the Agency's booth on Hunters Point and India Basin drawing a great amount of interest. Staff was very supportive in covering the Agency's booth from Thursday through the weekend, all coordinated by Ms. Pat Feinsilver.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed Amendment to the Redevelopment Plan; Rincon Point - South Beach.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 210-83, requests authorization to adopt the proposed Amendment to the Redevelopment Plan for the Rincon Point - South Beach.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (a) would be continued to August 16, 1983 at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 211-83, requests authorization to award the audit of funds to Quezada, Navarro and Company, Certified Public Accountants in an amount not to exceed \$4,800 for the Hunters Point School Lease Revenue Bonds, George R. Moscone Center Lease Revenue Bonds, Opera Plaza Residential Mortgage Revenue Bonds and four Residential Loan Programs.

Mr. Hamilton reported on item (b) as follows. In July 1983 proposals were received from five companies with Quezada, Navarro and Company submitting the low bid. Their workforce breakdown for Affirmative Action practices and work-related references are satisfactory. The cost of the audits will be charged against the funds involved.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-83 BE ADOPTED.

- (c) Resolution No. 212-83, requests authorization to Award Demolition and Site Clearance Contract No. 82 to Evans Brothers, Inc. in the amount of \$9,180 in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. This contract provides clearance of the building located on the Northwest corner of McAllister Street and Van Ness Avenue, presently occupied by the Courtroom Bar. Clearance of this site is required for construction of the proposed State Office Building. Eight contractors submitted bids with Evans Brothers, Inc. the lowest bidder. Their Affirmative Action and Safety Programs were approved. Evans Brothers, Inc. has never performed work for the Agency but has successfully performed work for the Oakland Redevelopment Agency and Caltrans who provided staff with satisfactory reviews and comments.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-83 BE ADOPTED.

- (d) Resolution No. 213-83, requests authorization of Offering No. 23 for Parcel 714-A(2) located on the northwest corner of Myrtle Street and Van Ness Avenue in the Western Addition A-2; and an expenditure of \$4,000 for Advertising Expenses.

Mr. Hamilton reported on item (d) as follows. Offering Number 23 will make available the last remaining Parcel along Van Ness Avenue. That site contains 12,352 feet and it will be offered at a fixed price based upon an appraisal of \$864,500. This Parcel is zoned high density, general commercial and has desired uses that will be evaluated higher than other uses. Those are commercial/office, commercial/residential. Additional uses include churches, schools, charitable institutions, cultural institutions, convalescent hospitals, private clubs or lodges, printing and publishing establishments, antique shops, limited wholesale establishments and hotels/motels approved on the site. The developers who are interested will be notified of availability by brochure and, in addition, advertisements will appear in the San Francisco Chronicle, Examiner and Progress and in community newspapers and several Bay Area real estate publications. It is the Agency's intent to give wide distribution to the availability of the site.

Mr. Mervyn Goodman indicated he was here to protest the actions of the Agency in expending funds for advertising and printing the offering brochure on this property as he has a Certificate of Preference given to him dated 1974, which is a matter now in court. Mr. David Oster, Acting General Counsel, indicated that Mr. Gene Suttle, Western Addition A-2 Area Director, had reviewed this matter with General Counsel and had received assurances that there is no pending legal action or claim against the Agency or other impediments in offering the property in this manner.

Ms. Blomquist indicated that Mr. Goodman has said there is a certain action still pending regarding his Certificate of Preference and Mr. Hamilton indicated that it is his understanding that Mr. Goodman is saying he has a court action in which the Certificate of Preference is going to be tested. However, that court action has not resulted in a lis pendens encumbering the title or the Agency's

Minutes of a Regular Meeting, August 2, 1983

NEW BUSINESS (continued)

ability to convey the property.

Mr. Goodman insisted that he has a legal action pending on this property.

Mr. Mardikian suggested holding this item over for one week to give legal counsel time to check this out. Mr. Hamilton indicated he would concur with that, as General Counsel, who is not present tonight, has himself been personally involved in this and he would need to be present to provide the Commission with a legal opinion on the matter of any pending litigation.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (d) would be continued to August 9, 1983. There being no objection, it was so ordered.

- (e) and (f) Resolution No. 214-83, requests authorization to enter into Exclusive Negotiations for 120 days with Travenca Corporation for Parcel 708-B(1) and Resolution No. 215-83, requests authorization to enter into Exclusive Negotiations for 120 days with Nolan Wong for Parcel 708-B(2) in the Western Addition A-1 and A-2.

Mr. Hamilton reported on items (e) and (f) as follows. Requests have been made by these two developers to purchase and develop adjacent properties, which are the remaining properties, after the recent sale to Safeway Stores, Inc. Properly coordinated retail development of the Agency's holding northerly of Safeway is an important element of establishing the Fillmore Center's commercial success. Mr. T. Conrad Monts, President of the Travenca Corp. has retained Nicola Smith, a local attorney and Van Bourg Nakamara, an architectural firm plus the interest of Colwell Company in providing mortgage financing for the venture. Mr. Monts has met with local community investors and is prepared to offer them equity participation in the venture. Travenca representatives have also appeared before WAPAC and Travenca has also provided a \$65,000 irrevocable Letter of Credit securing its good faith during negotiations. Mr. Nolan Wong is the owner of Gilmore Liquor Store in the area and also owns and operates a drug store in San Francisco. Travenca Corp. has secured an agreement with Mr. Wong who desires to develop a restaurant. Because of the intimate relationship of these two merchandising locations staff has requested and the developers have agreed to proceed on concurrent schedules so that the Agency can always have available for its consideration a total development plan. Travenca assures staff that should Mr. Wong's plans not materialize it will propose to add this to its development. Should Travenca's plans not materialize the Agency may proceed with sale of the Wong parcel reserving rights appropriate to development of this larger parcel revealed by the concurrent negotiations and consideration. WAPAC and the Fillmore Merchants Association have evidenced support of Mr. Wong's proposal and it is expected Mr. Monts will have personally met with WAPAC and staff before today's consideration.

NEW BUSINESS (continued)

Mr. Wade Woods, WAPAC, indicated support of the subject items and indicated that he had been informed that Mr. Monts and Mr. Wong had met and have agreed to proceed concurrently, so that the overall development will occur at the same time, along with the Safeway office building.

Mr. Arnelle inquired if that Agreement between Mr. Monts and Mr. Wong is in writing and filed with the Redevelopment Agency. Mr. Monts indicated affirmatively and Mr. David Oster, Acting General Counsel, indicated he had just received it.

Ms. Blomquist indicated that the diagram shows that a portion of the public right of way would be owned by the developers and inquired if they would own the parcel underneath or is it strictly an easement and Mr. Douglas Myers, Development Coordinator, indicated the area is proposed to be sold and includes part of the plaza area and some of the parking. The area over which these parties will receive easements for 50 years for parking is now owned by Safeway, who will at the same time receive easements from these parties for parking in another area and for pedestrian traffic. Ms. Blomquist inquired if the land would be given in perpetuity to plazas and walkways and Mr. Myers indicated the land will be owned by the developers, but will be offered for dedication to the City. The City has not indicated that they will accept it for dedication, so it will probably remain as an easement area over which all these parties have the right to require maintenance by the owners. Ms. Blomquist noted the Agency is obligated to pay Safeway's share of the improvement costs and inquired what they are and Mr. Myers indicated the improvement costs are being borne by Safeway for this plaza area and the Agency has agreed to bear half the cost when it sells the property or within three years, whichever is longer. Ms. Blomquist inquired if Mr. Monts is going to be in a limited partnership with local investors and Mr. Myers indicated it is his understanding that Mr. Monts intends to proceed with a limited partnership and in one way or another he will accept ownership interest in the property by other parties. Ms. Blomquist inquired what Mr. Monts plans to do with the property and Mr. Monts indicated he intended to turn all the developable areas into retail shopping space.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-83 BE ADOPTED.

- (g) Resolution No. 216-83, requests authorization of Exclusive Negotiations for 90 days with Essie Collins for the development of the parcel located on the Northside of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. This is one of the 12 parcels authorized for negotiated sale by the Commission on June 22, 1982. Staff received three proposals for development of this site, with preference for Essie Collins proposal, which is to construct 12 condominium units with a sales price between \$95,000 and \$150,000. Staff feels the design of Ms. Collins proposal is in scale with the surrounding properties and the floor plans of the units efficient and the facade attractive. Ms. Collins has demonstrated financial strength to undertake development of this magnitude and she is exercising her Certificate of Preference, which was also a factor in her selection.

The following persons spoke in favor of this item: Reverend Amos Brown, Third Baptist Church; Mr. James Gibbs; Reverend L.V. Wade; Ms. Vera Clayton; Mr. Arnold Townsend; Mr. James McCray, Jr.; Ms. Amos Hurd; Mr. Harold Bexton; Ms. Lavolia Baker and Ms. Mary Rogers, WAPAC; Mr. Mark Duerling and Ms. Essie Collins.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-83 BE ADOPTED.

- (h) and (i) Resolution No. 217-83, requests authorization of the Issuance and Prescribing the Terms, Conditions and Form of \$28,000,000 Principal Amount Project Liquidity Facility Revenue Bonds, Series 1983; and Resolution No. 218-83 request providing for the public sale of said bonds.

Mr. Hamilton reported on item (h) and (i) as follows. On July 19, 1983 the Commission approved two resolutions which provided for the public sale, on July 26, 1983 of Bonds in an amount not to exceed \$28,000,000 for the purchase of the GSA property at 49 Fourth Street and to pay the balance of the HUD loan for Yerba Buena Center. However, technical problems in structuring the bond issue arose, which resulted in a delay in the preparation of the necessary documents and no bids were received at the public sale. The issues have now been resolved and the bond sale is to occur on August 9, 1983. Other than a change in the title of the bonds to Liquidity Facility Revenue Bonds, the materials terms of the transaction are the same as those presented on July 19. Staff believes borrowing the necessary funds to buy the GSA property and repay the HUD loan for Yerba Buena Center is essential to the Agency's program. The Bonds will provide funds upon very favorable terms.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-83 BE ADOPTED.

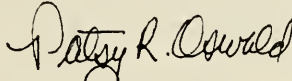
ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-83 BE ADOPTED.

Minutes of a Regular Meeting, August 2, 1983

ADJOURNMENT

It was moved by Mr. Arnelle, and seconded by Ms. Blomquist, that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 5:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

November 1, 1983

MINUTES OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF AUGUST 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:25 p.m. on the 10th day of August 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Haig Mardikian

and the following were absent:

J. Jesse Arnelle
Dian Blomquist
Walter Newman

The President declared that a quorum was present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

NEW BUSINESS

- (c) Resolution No. 221-83, selling \$28,000,000 Principal Amount of Redevelopment Agency of the City and County of San Francisco Yerba Buena Center Redevelopment Project Liquidity Facility Revenue Bonds, Series 1983; and Fixing the Definitive Rate of Interest Thereon.

Mr. Hamilton reported on item (c) as follows. On August 2, 1983, the Commission approved resolutions, which provide for the issuance and sale of the liquidity facility revenue bonds in the principal amount of \$28,000,000 in order to obtain funds to complete the purchase of the GSA property and repayment of the HUD loan regarding the Yerba Buena Center Project Area. Bids for the public sale of the bonds were opened Tuesday, August 9, at 10 a.m. at the office of Bond Counsel. The subject resolution will authorize the sale of the bonds to the successful bidder, and will complete the necessary Agency actions in connection with this transaction.

Mr. David Oster, Assistant Agency Counsel, indicated the only one bid had been received. The bid was from the Bank of America on behalf of certain of its customers, in the amount of 110 % as the percentage to be applied to the greater of 100% of the Index Rate for a given day or 45% of the Prime Rate for such day in determining the established Rate for such day.

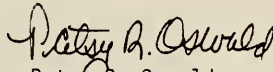
Minutes of an Adjourned Regular Meeting
August 10, 1983
Page 2

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING AND UNANIMOUSLY
CARRIED THAT RESOLUTION NO. 221-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk and unanimously
carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

August 30, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF AUGUST 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of August, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian

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and the following was absent:

H. Jesse Arnelle
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Anthony Morris, John Harris, Ocie Mae Rogers, Bayview Hunters Point Joint Housing Committee; Brian Fewer, Tree Program; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); and Mr. M. Goodman, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of July 26, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Mr. Hamilton introduced two new members of the Bayview Hunters Point Joint Housing Committee; Mr. Anthony L. Morris, Executive Director and Mr. John Harris, Contract Compliance Officer.
- (b) The \$28,000,000 bonds for Yerba Buena Center were successfully bid this morning and will be further discussed later in the meeting.

UNFINISHED BUSINESS

- (a) Resolution No. 202-83, requests authorization to accept a Pre-Preliminary Development Proposal of Campeau South Beach Properties for the property located on the block surrounded by First, Brannan, Colin P. Kelly, Jr., and Townsend Streets in the Rincon Point - South Beach Redevelopment Project Area. This item was continued from the meeting of July 26 and staff is recommending a further continuance to August 16, 1983.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (a) would be continued for one week to August 16, 1983. There being no objection it was so ordered.

- (b) Resolution No. 213-83, requests authorization of Offering No. 23 for the Parcel located on the northwest corner of Myrtle Street and Van Ness Avenue in the Western Addition A-2; and an expenditure of \$4,000 for Advertising Expenses.

Mr. Hamilton reported on item (b) as follows. This item was continued from the meeting of August 2, 1983 at the request of the Commission in order for staff to submit a legal opinion because of the allegations made by Mr. Mervyn Goodman concerning pending litigation relating to the parcel in this offering. Agency General Counsel has submitted that opinion to the Commission and believes there is no legal impediment to the Agency proceeding with the offering.

Mr. Mervyn Goodman indicated that this item should not go forward as he had a pending lawsuit regarding his Certificate of Preference for this property. Mr. Borregard indicated that in his opinion although there is a pending lawsuit, there is no legal impediment to the Agency proceeding with the offering.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-83 BE ADOPTED.

President Lee and Ms. Blomquist both urged Mr. Goodman to submit his proposal on this Offering.

NEW BUSINESS

- (a) Resolution No. 219-83, requests authorization of an agreement with the California Conservation Corps. (CCC) to plant street trees in the Western Addition A-2 and Hunters Point.

Mr. Hamilton reported on item (a) as follows. On June 28, 1983, the Commission approved the submission of a grant application to California Conservation Corps. for Federal Emergency Jobs Act to fund the proposed planting. The Agency's application was successful, resulting in a \$20,527 grant to be spent in two phases: Phase I - Van Ness Avenue Street Tree Planting - The first phase would grace Van Ness Avenue with a consistent planting of

NEW BUSINESS (continued)

large-scale street trees, extending from McAllister to Bush; which is the entire length of the Western Addition A-2 Redevelopment Area. The overall impact would be a dramatic improvement of these nine blocks and a model for the planting of the entire street from Market Street to Aquatic Park. The Planning Department, Department of Public Works (DPW), other city agencies and staff have completed a detailed planting plan. Property owners and merchants have been notified of the planting and at a meeting August 1, response from these groups was generally favorable. Phase II - Hunters Point Street Tree Replacement - The second phase would replace approximately 80 damaged or missing street trees along major streets in the Hunters Point Redevelopment Area. Preventive maintenance measures would be applied to other trees as needed. These efforts will help replenish an important community resource. The CCC has recruited 16 persons from the Western Addition and Hunters Point, for the Street tree planting which is 33 percent of the emergency jobs in the San Francisco Region. Department of Public Works has reaffirmed in writing their acceptance of maintenance responsibility. The Agency would provide design and administrative support, as well as incidental materials and equipment.

Mr. Brian Fewer, formerly of the Department of Public Works, spoke in favor of this item.

Ms. Berk indicated that she and all the people of San Francisco owed Mr. Fewer a vote of thanks for his years of service.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-83 BE ADOPTED.

- (b) Resolution No. 220-83, requests authorization to write-off certain delinquent rental accounts in the Western Addition A-2, in the total amount of \$4,698.00.

Mr. Hamilton reported on item (b) as follows. The Agency's rental policy, as well as Federal Regulations provide for the write-off of delinquent rental accounts when there is no reasonable prospect of collection. These accounts include those sent to the collection agency, Transworld Systems, Inc., since the last write-off in January, 1983. The Agency may receive payments in the future on accounts that remain with the collection agency; however, collection efforts are essentially exhausted and proper accounting procedures require that they be written off at this time. It is Agency procedure to send only vacated accounts to collection and all of the subject accounts are vacant.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-83 BE ADOPTED.

- (c) Resolution No. 221-83, requests authorization to approve a resolution selling \$28,000,000 Principal Amount of Redevelopment Agency of the City and County of San Francisco Yerba Buena Center Redevelopment Project Area Liquidity Facility Bonds, Series 1983, and Fixing the Definitive Rate of Interest Thereon.

Minutes of a Regular Meeting, August 9, 1983

NEW BUSINESS (continued)

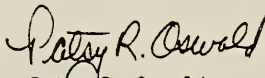
Mr. Hamilton requested that this meeting be adjourned to August 10, 1983 at 4 p.m. at 939 Ellis Street for the purpose of considering agenda item 9(c) and such other matters which may properly be brought before the Agency.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 9(C) AND OTHER MATTERS WHICH MAY PROPERLY BE BROUGHT BEFORE THIS COMMISSION BE CONTINUED TO AN ADJOURNED REGULAR MEETING ON AUGUST 10, 1983 AT 4:00 P.M. IN THE FOURTH FLOOR CONFERENCE ROOM AT 939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned to an adjourned regular meeting on August 10, 1983 at 4:00 p.m. in the fourth floor conference room at 939 Ellis Street, San Francisco, California. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

August 23, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF AUGUST 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of August, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

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H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Grant DeHart, Executive Director, Foundation for San Francisco's Architectural Heritage; Jean Kortum, Landmarks Advisory Board; Art Chapman, Campeau Corp; Pleasant Carson, Western Addition Project Area Committee (WAPAC); and interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session on August 2, 1983, be adopted.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) St. Francis Square Cooperative Housing will be holding its 20th Anniversary Celebration Community Picnic on Sunday, September 11 from 1 to 5 p.m.
- (b) The San Francisco State Building Authority will be holding a Special Meeting on Thursday, August 18 at 11 a.m. at 939 Ellis Street for the purpose of voting on bonds for the construction of the new State Office Building.
- (c) Ms. Margaret Kaplan passed away last week, and he requested that the meeting be adjourned in her memory.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed amendment to the Redevelopment Plan; Rincon Point - South Beach.

President Lee opened the public hearing to hear all persons interested in the proposed amendment to the Redevelopment Plan; Rincon Point - South Beach.

Resolution No. 210-83, authorizing adoption of the proposed amendment to the Redevelopment Plan for the Rincon Point - South Beach Project.

Mr. Hamilton, indicated that staff is requesting this item be continued.

RULE OF THE CHAIR: PRESIDENT LEE INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (a) WOULD BE CONTINUED TO AUGUST 30, 1983 AT STAFF REQUEST. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (b) Resolution No. 202-83, requests authorization to accept a Pre-Preliminary Development Proposal of Campeau South Beach Properties for the property located in the block surrounded by First, Brannan, Colin P. Kelly, Jr., and Townsend Streets in the Rincon Point - South Beach.

Mr. Hamilton reported on item (b) as follows. Acceptance would be subject to several exceptions, limitations, and conditions. This item was originally scheduled for consideration on July 19, 1983. However, a delay was requested because of historic preservation issues raised by the Foundation for San Francisco's Heritage and the Landmarks Advisory Board regarding the Oriental Warehouse. On May 10 a Public Workshop was held at which the owner's representatives presented the proposal and responded to questions from the Commission. On May 17 the Oriental Warehouse portion was reviewed by the Foundation for San Francisco's Architectural Heritage, which found the proposed uses, facade treatments, and rooftop development acceptable, but raised questions about the mass and architectural treatment of the proposed additional two stories. On June 1, 1983 the Landmarks Preservation Advisory Board reviewed the proposal for the Oriental Warehouse and found the proposed uses, facade treatments and rooftop development unacceptable. Since that date Agency staff, Campeau Corp., the Landmarks Advisory Board, and the Foundation for San Francisco's Architectural Heritage convened to clarify the issues of concern. Mr. Frank Cannizzaro, Project Director, will explain those issues and possible resolutions. The proposal has been reviewed by the Citizens Advisory Committee and the staff of City Planning and their views are reflected in staff's evaluations and recommendations. For each of the development and policy issues raised, staff working with the owner, has developed a proposed resolution or believes that the issue can be more appropriately dealt with at a later phase in the development approval process. All of the issues will go before the Commission for final approval at the time the Owner Participation Agreement is

UNFINISHED BUSINESS (continued)

drafted. Staff has reviewed the pre-preliminary proposal and finds it generally acceptable as a design and development concept.

Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, explained the three stages of the process and noted staff's concern with the production of low and moderate income housing. He indicated the developer agreed to a cost and profit containment formula to the extent of 50 percent of the units, which staff believes could be a valuable tool in producing such housing. In addition, the developer has agreed to share some of the profits above a 20 percent return on sales. He noted that with the formula, use of tax increments, tax-exempt financing, and other subsidies there could be up to 25 to 30 percent low and moderate income housing produced. Mr. Cannizzaro further indicated the developer is more than anxious and willing to work with the Agency in trying to produce that level of low and moderate income housing and assured the Commission that the cost and profit containment feature would apply to the 50 percent goal of the plan.

Mr. Grant DeHart, Executive Director, Foundation for San Francisco's Architectural Heritage, expressed concern about the rehabilitation of the Oriental Warehouse. He indicated the proposed rehabilitation is not suitable for a building of such historic and architectural significance to San Francisco and noted the amount of alteration and new development will be incompatible with this structure and will forever alter its historic character. He noted the proposed office/commercial space and subsurface parking garage would not serve the neighborhood.

Ms. Jean Kortum, Vice President, Landmarks Advisory Board, endorsed Mr. DeHart's comments and emphasized the importance of the Oriental Warehouse as being symbolic of San Francisco's Gold Rush trade with the Orient and processing of Asians into this country. She urged the Commission to delay consideration of this item to allow more time to resolve unsettled matters.

Ms. Blomquist congratulated staff and the developer for the creative moderate income housing plan which they proposed, and expressed hope a compromise between Heritage and the developer could be reached regarding the Oriental Warehouse. She inquired if capped pilings would be as expensive as new ones, and Mr. Cannizzaro responded new pilings were not as expensive, but would require more work. Ms. Blomquist noted the City code would require two means of egress, and Mr. Cannizzaro indicated the code required two and there are six proposed on the North and South sides of the building. The two would be two of the six and no additional openings would be needed to meet code requirements, however, for the building to function better, two openings would be inappropriate.

Ms. Blomquist asked for a clarification of the following excerpt from the plan: "The Agency may reconsider the owner's request (for 52 boat berths) upon analysis and evaluation of the operating plans

UNFINISHED BUSINESS (continued)

for the South Beach Small Boat Harbor." Mr. Cannizzaro indicated the rate of absorption of units after the initial construction starts might be pertinent and noted that since the area has never been used for housing there was a greater risk with the first housing units. Therefore, the developer was interested in trying to create more appeal for potential buyers of the units and as a result has asked for preference on the subsequent purchase of 52 berths. Mr. Cannizzaro noted that although staff was not necessarily in favor of the idea, it might be considered again and perhaps brought to the Commission for approval. He indicated the Agency is still in the process of developing an operating plan for the harbor and that was dependent on how and when the harbor is constructed. When those plans are finalized, there may be some room to create a preference although that is not being contemplated by staff at present.

Ms. Blomquist inquired about the use of Urban Development Action Grants (UDAG) and the proposal for an additional lot for the office building. Mr. Cannizzaro responded there were a number of issues associated with that matter. He stated the warehouse on the Palmisano parcel is to be removed so the Oriental Warehouse can become a major visual amenity in the area. He also indicated there was a problem with the parcel's acquisition price, the square footage that can be developed, and the economic feasibility of developing the Oriental Warehouse. Staff is not convinced the office building proposed by the developer is necessary. The pro forma shows a substantial shortfall that will be realized and the new building would help minimize that shortfall. Another proposal for overcoming the shortfall is to make a form of public subsidy available. Mr. Cannizzaro believed there may be other ways of resolving the problem other than by constructing a new office building.

Mr. Cannizzaro reviewed a graphic which related revenue production ability of the Oriental Warehouse with the amount of commercial and parking space developed. As more revenue producing space is added, the shortfall starts to turn around. And, with five floors without parking, a lower rent will be achieved and the shortfall becomes \$2.4 million with parking and \$5.5 million without. Mr. Cannizzaro indicated there are several considerations: the convenience of space and the kind of revenue received from it versus what the amount of the rental available. The developer indicates that his proposal which tries to maximize net rentable space including parking amenities appears to have a shortfall of about \$2.4 million on a net present value basis even if a \$4 million subsidy were granted. His proposal for a new adjacent office building reflects his idea as to how that Oriental Warehouse shortfall might be overcome.

Mr. Cannizzaro indicated that tax credits do not figure into the economic feasibility because they are an after tax consideration. They may contribute to return on equity not debt coverage which is necessary to finance a building. Parking contributes approximately

UNFINISHED BUSINESS (continued)

\$15 per square foot versus \$47 a square foot for the foundation cost. The more rental space there is, the more attractive the space is, and the more revenue is produced to offset cost.

Mr. Hamilton indicated he attended meetings where members of Landmarks, Heritage, and the developer discussed issues concerning treatment of the buildings they consider important. He indicated a major concern was that uses dictate the level of rehabilitation work and if those uses were changed to more neighborhood-oriented uses, as Heritage and Landmarks would prefer, the level of work would not be necessary. Therefore, the costs would not be as high and the building would pencil out and be feasible with less disadvantageous changes. He indicated that questions pertaining to foundation costs, the need for the level of work being suggested, and use of tax credits are questions only the developer could answer.

Mr. Art Chapman, Campeau South Beach Properties, indicated some economic work concerning the Oriental Warehouse and the alternative uses have been done. He noted if the property were considered today with no profit, no pilings, and otherwise brought up to code, then there would be enough money for just a shell. If two levels were to be used, there would be 80,000 square gross feet and assuming that minimum partitions are used for offices and play areas and provisions for water and utilities are made, a \$15 per foot minimal cost is ascribed. A rental rate of approximately \$2 per foot a month to amortize those costs would have to be achieved. A new foundation system is required regardless of the use. On a full floor tenant use basis, an achievement of less than \$20 per year should be expected. In the pro forma submitted to the Agency, a rental figure of \$22 per foot was used. It was proposed to pass the tax credits to the users of the building as an inducement to get them to occupy the building. The developer took advantage of the tax credits, which are in the financial pro forma but rather than taking them personally, has passed them through in order to achieve rents that will amortize the cost and induce people to come into the building.

Ms. Blomquist inquired if tax credits can be given only to restoration work that complies with the Secretary of Interior's standards under government regulations, and Mr. Chapman responded that if a building is on the National Registry and rehabilitated under the Secretary of the Interior's design standards for historical buildings, a 25 percent tax credit is allowed. But the tax law also states if the building is over 40-years-old, a 20 percent tax credit is allowed without going through the historic process. Therefore, a 20 percent tax credit has been proposed in accordance with the law.

Mr. Hamilton indicated that it would be important for Mr. Cannizzaro to point out conditions and limitations that should be imposed to assure that the level of attention necessary is given.

UNFINISHED BUSINESS (continued)

Mr. Cannizzaro noted that part of the resolution is concerned with the acceptance of the general massing of the buildings. He noted that the architects are not satisfied with the height of the two proposed towers. He indicated the general concept appears to be satisfactory, but there are a number of concerns that must be further detailed. The height and density bonus would be accepted subject to the future acceptance of the amendment to the Redevelopment Plan by the Commission and the Board of Supervisors. The acceptance would allow the height and density bonuses to be granted to all residential properties in the area. Until that amendment is approved the developer would need to proceed with design work for additional units at his own risk. When the Questor report was commissioned, one of the ways described for producing low and moderate income housing was to create greater land value by virtue of a bonus. The plan would then involve capturing that land value and converting it into the production of low and moderate income housing. Mr. Cannizzaro indicated that the Agency is not agreeing to the 52 boat berths at present. It is also not agreeing to a new building on Mrs. Palmisano's property. It is accepting the compromise proposal relative to cost and profit containment and design authority for up to 50 percent of the units to be used for low and moderate income units. Also, the developer has agreed to use his own resources to provide whatever expertise is available in the market place at the time the final housing plan is formulated. The developer further agrees to abide by the affirmative action requirements for the project. Mr. Cannizzaro indicated the proposed uses on public right-of-ways which fronts this development are not necessarily agreed to because some details must be worked out with the City. The resolution still requires the developer to comply with all the requirements of the Redevelopment Plan and Design for Development and any other applicable documents. These are the conditions, limitations, and exceptions that staff is requesting be included in the approval of this proposal.

Mrs. Berk noted that this is first acceptance of the project design and the mass and configuration of the proposed additions to the roof of the Oriental Warehouse is included in the acceptance. She inquired about the use of the height and density bonuses being accepted prior to the plan being amended and that the Agency had not done this before. She also inquired about the application of the acceptance, and Mr. Cannizzaro responded that the height bonus is approved if the Plan amendment is subsequently approved by the Commission and the Board of Supervisors. If it is not approved, the developer must stay within the density requirement of the plan which provides up to 110 units per acre. Therefore, instead of 402 units, there will be 350.

Mrs. Berk inquired if the Agency is making any statement that the Commission recognizes this as a means of getting more housing, and Mr. Cannizzaro responded negatively indicating that that has to be explored more fully when the plan amendment is approached.

UNFINISHED BUSINESS (continued)

Mr. Mardikian indicated that Ms. Kortum and Mr. DeHart clearly and correctly underscored the historical importance of the Oriental Warehouse and the great interest the building has among San Franciscans. He stated that he would be more comfortable if as a condition a request be made further evaluation of the need for additional openings in the Oriental Warehouse be required. He indicated it was his understanding that both Landmarks and Heritage have a concern over additional openings. It may be that additional considerations regarding the openings could help to better preserve the historical characteristics of this building. He suggested the resolution be amended to include the request prior to approval.

Mr. Newman indicated the acceptance of the project design is limited to general massing of the buildings and the site plan and the relationship of the buildings to each other. He noted that assuming the Commission approved staff's recommendation, there would still be many items to be further approved and inquired when those would be brought to the Commission. Mr. Cannizzaro responded that staff will return to the Commission when the preliminary plans are prepared and all issues will be addressed at that point. He noted staff will work further with the developer and may have a further intermediate step that would address those issues. But before the project is approved for the Owner Participation Agreement, all issues would need to be presented to the Commission.

Mr. Hamilton indicated that on a project of this significance, the design review process would be called in to play and the interim reviews that are set forth in that policy would be held.

Mr. Newman inquired if the Commission does not agree on all outstanding matters, whether the approval would not hold, and Mr. Hamilton responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-83 BE ADOPTED AS AMENDED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the Land Disposition Agreement for Parcel B-6(b); India Basin Industrial Park.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 222-83, requests authorization of an LDA with Jack Bodeewes Associates, Inc. for the parcel located on the northwest corner of Jennings and Newhall Streets in the India Basin Industrial Park.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. The LDA provides the developer will submit schematic drawings at least ten days prior to approval of the LDA by the Commission. Although these drawings were submitted earlier this year, the developer advised staff on August 8 that he had conducted soils tests and the results indicated a substantial revision of the schematic plans may be required. It is estimated that they will be ready by the meeting of September 13 and it is requested this item be continued to that meeting.

Mr. Anthony Morris, Executive Director, Bay View Hunters Point Joint Housing Committee (BVHPJHC), expressed support of this item.

RULE OF THE CHAIR: PRESIDENT LEE INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM 9(a) WOULD BE CONTINUED TO SEPTEMBER 13, 1983 AT STAFF REQUEST. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (b) Public hearing to hear all persons interested in the Land Disposition Agreement for Parcel I-2; India Basin Industrial Park.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 223-83, requests authorization of an LDA with Daniel Hickey for the Parcel located on the southside of Fairfax Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (b) as follows. Mr. Daniel Hickey is one of the owners of Minute Men Press, Inc., a printing firm whose business is mainly in the garment trade. The developer proposes to construct a 31,000 square foot building containing offices, printing and related shipping facilities. The remainder of the site will include parking spaces and landscaped areas. Minute Men Press is growing as reflected by the increase in the number of employees from five in 1971 to its present 14. An additional five to ten employees in the next two years are expected to be hired. With these new jobs, Minute Men Press will employ between 19 and 24 employees or almost 50 percent more than the 16 jobs required by the India Basin employment guidelines of 20 jobs per acre. Mr. Hickey is aware of and fully supports the Agency's agreement with the Bayview Hunters Point Joint Housing Committee (BVHPJHC) providing employment priority to neighborhood residents. Mr. Hickey has met with the Board of Directors of the BVHPJHC which favorably endorsed the project.

Mr. John Harris, BVHPJHC, expressed support of this item and noted that approval of this item will result in enhancing employment opportunities.

Mr. James Wilson, Area Director, Hunters Point, indicated that Mr. Hickey had already hired five community residents.

NEW BUSINESS (continued)

There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-83 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in the Amendment to the Land Disposition Agreement for Parcel AA-2; Hunters Point.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 224-83, requests authorization of a First Amendatory Agreement to the LDA with Barco Developers for the parcel located on the northside of Keith Street between Fairfax and Hudson Avenues in Hunters Point.

Mr. Hamilton indicated that staff is requesting this item be tabled. This Amendatory would revise the sales price of the property. However, several other issues have arisen and after a mutually acceptable solution has been agreed to, staff will republish the hearing and recalendar the matter for Commission consideration.

RULE OF THE CHAIR: PRESIDENT LEE INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM 9(c) WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (d) Resolution No. 225-83, requests authorization to approve a Fourth Amendatory Agreement which extends the performance dates for 90 days for the Combined Land Disposition and Owner Participation Agreement (LDA/OPA) with the San Francisco State Building Authority for parcels located in the block bounded by Franklin and McAllister Streets and Golden Gate and Van Ness Avenues in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. On June 16, 1981, the Commission approved an LDA/OPA with the State of California with regard to the development of a 210,000 square foot office building. The Commission granted extensions to the State on November 17, 1981 and October 5, 1982 to allow time to find alternative methods of financing. Staff investigated the creation of a joint powers authority as a means of financing this development and found it a satisfactory financing vehicle. On May 3, 1983 the Commission approved this assignment of all rights and interest in the LDA/OPA to the San Francisco State Building Authority and a revision of the Performance Schedule. Award of the contract, conveyance of property by the Agency and City, conveyance of a lease by the State, and close of the bond issue are expected to be simultaneously affected on or before December 1, 1983. Construction supervised by the State will start within 30 days after close of escrow. The building is expected to be occupied 26 months thereafter. The next action in connection with this transaction which is expected to be before the

NEW BUSINESS (continued)

Commission is the approval of bond documents in early September. The performance date changes are designed to reflect the conveyance plan based primarily on the uncertainty of when the bonds will be sold. These dates will be revised to submit evidence of financing from August, 1983 to November, 1983 and conveyance of the site from September, 1983 to December, 1983.

Mr. Pleasant Carson, Western Addition Project Area Committee (WAPAC), indicated he was not against the project; however, a problem exists with the selection of subcontractors. He noted that the minority business enterprises that have been chosen by the general contractor cannot reflect those in the San Francisco/Oakland area.

He indicated the people involved are from Fremont and San Jose; therefore the firm does not provide work for San Francisco or Oakland-based minority contractors. He noted that he had no knowledge of Mr. Sully nor his construction company. Mr. Carson stated he sent a letter to the Building Commission suggesting a delay be considered to allow estimators, involved in helping minority contractors in the area, time to seek minorities. He questioned the subcontractors chosen and the legality of the entire process.

President Lee inquired if Mr. Carson was suggesting that there is a lack of minorities on the project, and Mr. Carson responded no.

He clarified himself and stated that no Bay Area minority business is involved.

Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated he received a letter a few minutes ago and noted staff had reviewed the Minority Business Enterprise (MBE) program submitted by the contractor. The contractor exceeded the goal of 15 per cent minority business enterprise participation by 3 per cent and the Agency has never penalized a firm for not being located in San Francisco. The Agency encourages developers to pursue community-based MBE's and makes an effort to have copies of plans and specifications available at the WAPAC office, the Agency, and the Building Authority. The Building Authority held meetings in which people were invited to review specifications, understand the MBE program, and submit comments regarding the job so they could participate in the bidding. Mr. Sully, who has met the MBE goal, will still employ minority truckers who are Western Addition residents. Mr. Mills indicated that specifications call for contractors to make an effort to identify Section 3 bidders who are located in a particular community and in this case, Western Addition. The process was to make a special outreach to neighborhood businesses increase bidding involvement.

NEW BUSINESS (continued)

Mr. Gene Suttle, Area Director, Western Addition, indicated that advertisement for bids was published June 6 and opened for 45 days. Plans were to be submitted to Mr. John Bowman, Affirmative Action officer, and to WAPAC. In spite of staff's efforts, no bids from local subcontractors were received.

President Lee inquired if this project is different from any others, and Mr. Mills responded negatively adding that although there is no difference, staff made a conscientious effort to involve community contractors in the bidding. In reply to Mr. Carson's comment about receiving only one set of plans and specifications. Mr. Mills indicated it is not necessary to have more than one set of plans and specifications in an office. He indicated that contractors could go to an office and review the plans and specifications at their leisure and extract any information they need.

Mr. Hamilton indicated that plans were deposited with WAPAC as well as with Mr. Bowman, who is a community consultant, and were made completely accessible.

Ms. Berk expressed her support of this item and indicated a hope that the building could go forward.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-83 BE ADOPTED.

- (e) Resolution No. 226-83, requests authorization to enter into Exclusive Negotiations for 90 days with Ms. Jeanette Fung for the parcel located on the north side of Ellis between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. Ms. Fung proposes to build two 2-bedroom, 2-bath market-rate condominiums over a two-car garage. She plans to sell one unit and live in the other. Ms. Fung, a Bay Area-based developer/consultant, is presently residing in Sausalito although her previous development efforts have been in San Francisco where she lived until just recently. She has shown evidence of the financial capacity to go forward with this development estimated to cost \$230,000. Since the development is to be condominiums for sale, staff recommends a profit limitation, where the developer shall pay the Agency 50 percent of any profit in excess of 20 percent of "Allowed Development Costs." Any amount paid to the Agency shall be utilized to assist in affordable housing developments.

Ms. Mary Rogers, WAPAC, spoke in favor of this item and inquired if the words "Western Addition" could be added to the portion of the Resolution which reads: "Agency to assist in affordable housing development." She also proposed that a meeting be scheduled with staff to discuss the meaning of affordable housing.

NEW BUSINESS (continued)

Mr. Hamilton requested Mrs. Rogers to call his office to arrange a meeting.

Ms. Blomquist inquired if Ms. Fung is a Certificate of Preference Holder, and Mr. Hamilton responded no.

Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that the Commission authorized staff to negotiate several parcels that were under 10,000 square feet which were advertised in two general mailings to approximately 1,000 people. He noted that no statement of interest came from certificate holders.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-83 BE ADOPTED.

- (f) Resolution No. 227-83, requests authorization to reject all bids received to rehabilitate 1519-29 O'Farrell Street in the Western Addition A-2 and to authorize the advertisement of new bids.

Mr. Hamilton reported on item (f) as follows. On May 31, 1983, the Commission authorized the solicitation of general contractor bids to rehabilitate the former A-2 site office into six residential units. Thirty bid packets were sold to contractors with at least 50 percent of those responses coming from minority firms. Five bids were received with the apparent low bidder, Hak Ping Mai Construction; however, the bid bond had irregularities. The next lowest bidder, Transworld Construction, failed to submit a bid for alternate #1 as required in the bid package. The third lowest bid was 31 percent higher than the low bid and 30 percent higher than staff's estimate of \$200,000.00. It is believed that the Agency's best interest would be served by rejecting all bids and that new acceptable bids would be received closer to staff's estimate.

Ms. Rogers supported staff's recommendation to reject the bids and inquired how the selling price of the units will be determined.

Ms. Darby Nelson, Rehabilitation Counselor indicated the selling price will be set by appraisals that will be reviewed with the cost and value of the units certified by Agency staff with the price being charged on the first mortgage related to what the family can afford.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-83 BE ADOPTED.

- (g) Resolution No. 228-83, requests authorizing the method of sale and minimum disposal price for parcels located at 1401-1405 Gough, 1402-1404 Post, and 1406-1408 Post Street in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. On June 7, 1983 the Commission approved the method of sale, minimum disposal price,

NEW BUSINESS (continued)

preparation of brochures, placement of advertising, and preparation of developer's packets in connection with Rehabilitation Offering No. 22. The subject three parcels are proposed for inclusion in this offering. Although the property at 1402-04 Post Street has been the subject of continuing court hearings for non-compliance with City code requirements, this parcel was not incorporated at the time of the approval of Rehabilitation Offering No. 22, due to outstanding proposals which included all three parcels by two developer groups who had requested to negotiate with the Agency. Staff has determined that in order to afford all Certificate Holders the opportunity to submit proposals for these units, the best approach was publicly offer the properties giving preference to Certificate Holders in accordance with normal practice. In addition, the pending court action accelerates the need to market and commence the rehabilitation of these units. Staff believes that restricting development to rentals is likely to restrict interested developers to high income individuals needing a tax shelter. In addition, the opportunity for Certificate Holders to participate in the rehabilitation of these buildings would be enhanced by allowing both rental and condominium proposals. It is, therefore, staff's recommendation that proposals be accepted for either rental or condominium development and to base developer selection on the highest price offered provided that it equals or exceeds the proposed minimum disposition price and the respondent meets the other selection criteria of the offering. Staff presented our intention to offer these structures to WAPAC's Board in December, 1982. To this date, the Board has not taken a position on the matter.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-83 BE ADOPTED.

- (h) Resolution No. 229-83, requests authorization of a Rental Agreement with P & K Trucking Company for the use of a portion of the parcel bounded by Turk, Steiner, Eddy and Fillmore Streets for the purpose of providing space for the storage of construction materials and equipment, and placement of construction trailers.

Mr. Hamilton reported on item (h) as follows. P & K Trucking Company, a minority contractor, has long been established in the Western Addition and is engaged in hauling and moving structural equipment, materials, and dirt for construction firms. P & K Trucking is requesting temporary use of approximately 3,000 square feet of space, for a period of seven months. The Company has agreed to obtain the required Property Damage and Liability Insurance; to post a \$10,000 Performance Bond to assure compliance with the provisions of the rental agreement; to fence off the area to be utilized; and abate any dust problems. Tenancy will be month-to-month at a rental rate of \$180.00 per month. The proposed interim use of this parcel is in conformity with adopted Agency policy. The Western Addition Project Area Committee has approved this temporary use.

NEW BUSINESS (continued)

In reply to Mary Rogers' inquiry about the necessity for \$2 million worth of insurance and bonds, Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated this was a procedure that was initiated recently the bond would allow staff to move against a firm in the event elements of the rental agreement are violated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 229-83 BE ADOPTED.

- (i) Resolution No. 230-83, requests approval of a resolution amending Resolution No. 217-83, which authorizes the issuance and prescribed the terms of \$28,000,000 Principal Amount of Redevelopment Agency of the City and County of San Francisco Yerba Buena Center Redevelopment Project Liquidity Facility Revenue Bonds, Series 1983.

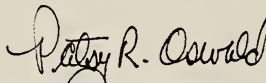
Mr. Hamilton reported on item (i) as follows. The Bonds which the Commission authorized by Resolution No. 217-83, adopted on August 2, 1983 and amended on August 10, 1983, were issued, sold and delivered on August 11, 1983. Proceeds from the Bonds have been used to pay the balance of the purchase price for the General Services Administration (GSA) property and the balance due under the Loan and Capital Grant Contract with HUD regarding the YBC Project Area. It has become apparent that the definition of "Revenues" which along with proceeds from the sale of the parcels of real property in the project area are pledged for repayment of the bonds is unnecessarily broad. Accordingly, staff recommends that it be amended to clearly specify that revenues consist of all monies legally available to the Agency for the payment of principal, premium, and interest on the bonds from tax allocations in the Yerba Buena Center Project Area, Federal and state grant monies budgeted by the Agency for use in connection with the Project Area and all interest, profits or other income derived from the investment of amounts in any of the bond funds created by the Bond Resolution. The Bank of America has agreed to the foregoing change and has informed us that the Bondholders will also consent.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned in the memory of Ms. Margaret Kaplan. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 15, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF AUGUST 1983

DOCUMENTS DEPT.

SEP 7 1983

SAN FRANCISCO
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of August, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, John Harris, Anthony Morris, Bayview Hunters Point Joint Housing Committee; Brad Paul, Martha Senger, Goodman Group, Inc., and P. Tuley, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of August 9, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A continuing success story of the Safeway training program of A-2 residents; two more courtesy clerks have been promoted to Apprentice Food Clerks, now bringing the promotions in this program to three.
- (b) Burger King, which will be located in the new 1 Flynn Center Building on Van Ness and Willow, will be opening early in September and they are now in the process of taking job applications.
- (c) The first six units in the Agency's Western Addition A-2 Affordable Condominium Program were conveyed to families yesterday. There are

REPORT OF THE EXECUTIVE DIRECTOR (continued)

still 25 units to be conveyed under this Program with the next 10 units to be conveyed in mid-September.

Mr. Newman inquired when Safeway would be opening and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated mid-October.

NEW BUSINESS

- (a) Resolution No. 231-83, requests authorizing an expenditure not to exceed \$1,500 to market two demonstration expandable homes located in the Hunters Point Redevelopment Area.

Mr. Hamilton reported on item (a) as follows. On July 19, 1983 the Commission approved a loan from the Opera Plaza Development Fund to construct two demonstration expandable homes. Marketing should start as soon as possible as it is anticipated the homes will be completed before November, 1983. The two units will be sold for no more than \$60,000 each and for as low as \$55,000 to families of at least two persons who have incomes no higher than 120% of the median who qualify for FHA mortgage insurance. Priority will be determined in the following descending order: (a) Certificate Eligible Families on open caseload; (b) Certificate Holders from the Hunters Point Redevelopment Project area; (c) Certificate Holders from other Agency Redevelopment Project Areas; (d) current residents of Bayview-Hunters Point within the 94124 post office area code, and (e) general public. This follows the Agency's Policy on the Certificate of Preference Program. The marketing expenses will be refunded to the Agency from the sales proceeds of the two units.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-83 BE ADOPTED.

- (b) Resolution No. 232-83, requests authorization to purchase concrete tree grates for use in Agency street tree planting in the Western Addition A-2 Project Area.

Mr. Hamilton reported on item (b) as follows. Tree grates are stockpiled in order to achieve cost savings of bulk ordering, to assure a ready supply when needed, and to provide a unifying design element within various planting areas. The stockpile now stands at approximately 60 tree grates. Approximately 180 street trees are scheduled to be planted during the remainder of 1983, creating a need for approximately 120 additional grates. The proposed action would replenish the stockpile with 145 grates for an amount not to exceed \$12,513.75. Funds are available, having been budgeted as part of the project area's 1983 tree planting budget. Quotes were received from three qualified suppliers with Marin Exposed Aggregate Products submitting the lowest bid.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-83 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 233-83, requests adoption of a Resolution expressing intent to issue mortgage revenue bonds to finance the rehabilitation of residential units and qualified commercial facilities at 1109-21 Geary Boulevard, the Goodman Building, in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. On December 27, 1978, an LDA was authorized with Alan Wofsy & Associates for the purchase and rehabilitation of two buildings. The smaller eight-unit building at 234-38 Myrtle Street was subsequently conveyed and rehabilitated in accordance with the disposition agreement. Completion of the performance schedule with respect to the second building at 1109-21 Geary Blvd., the Goodman Building, was contingent upon vacation of the building, which was accomplished on July 29, 1983. The LDA states that the Agency agrees to provide mortgage financing when available. Although the Agency has not been able to obtain a source of funds to provide financing for the Goodman Building, the Agency continues to have the ability under Federal and State law to issue tax-exempt bonds, and can do so if the developer secures the commitment of a purchaser for the bonds for his specific projects. Mr. Wofsy has informed staff that he has obtained the agreement of at least one bond underwriter to privately place the bonds in September. The Board of Supervisors must approve the issuance of the bonds and staff is proceeding to obtain their approval. The Financing Agreement will be calendared for approval by which the developer would agree to pay all of the Agency's costs should the bonds not be issued.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-83 BE ADOPTED.

- (d) Resolution No. 234-83, requests authorization to amend Resolution No. 208-83 to delete the classifications of Chief, Rehabilitation and Chief, Engineering and to create the new classification Chief of Engineering and Rehabilitation and to appoint Mr. Demetrio C. Salvador to that new position.

Mr. Hamilton reported on item (d) as follows. Mr. Hunter L. Johnson resigned from his position as Chief of Rehabilitation effective July 22, 1983. In order to fill this vacancy, the Commission in closed session August 16 approved in concept the appointment of Demetrio C. Salvador, previously Chief of Engineering, as the Chief of the combined divisions of Engineering and Rehabilitation.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-83 BE ADOPTED.

- (e) Resolution No. 235-83, requests authorization for Helen Sause, Project Director, Yerba Buena Center, and Mr. Hamilton to travel to San Diego, California to attend NAHRO's National Conference, National Committee meetings, and Board of Governors' meeting being held October 8-12, 1983 with costs not to exceed \$2,300. Mr. Hamilton will be attending in his capacity as a member of the National Board

NEW BUSINESS (continued)

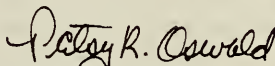
of Governors and as outgoing National Vice President of Community Revitalization and Development. Mrs. Sause will be attending in her capacity as a member of the Board of Governors and as Regional Vice President of Community Revitalization and Development. Mrs. Sause as Program Chair of the National Conference this year, may also need to be in the San Diego October 7 and 13 in order to coordinate the setting up and conclusion of the Conference. Because of the criticality of the YBC negotiations, should there be a time conflict, travel plans will be adjusted.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-83 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session. The meeting adjourned at 4:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Secretary

APPROVED

August 30, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF AUGUST 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of August, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Haig Mardikian
Walter S. Newman

DOCUMENTS DEPT.

and the following was absent:

H. Jesse Arnelle
Charlotte Berk
Dian Blomquist

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee (JHC); Mary Rogers, Western Addition Project Area Committee (WAPAC); Nat Taylor, Van Ness Center Associates; John Eiberling, Tenants and Owners Development Corporation (TODCO); and Thomas R. Lile, Jr., Parcel F-5.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of May 31, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the adjourned regular meeting of August 10, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of August 23, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

(a) There will be a regular meeting of the San Francisco State Building

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Authority tomorrow, Wednesday, August 31, at 10 a.m.

- (b) St. Francis Square will be holding their 20th Anniversary Celebration on Sunday, September 11, 1983 from 1-5 p.m.
- (c) There will be no regular Agency Meeting next Tuesday, September 6. The next regular meeting will be September 13.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed Amendment to the Redevelopment Plan for the Rincon Point - South Beach Project.

Resolution No. 210-83, requests authorization to adopt the proposed amendment to the Redevelopment Plan for the Rincon Point - South Beach Project.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. This item requests authorization to adopt the proposed amendment to the Redevelopment Plan for the Rincon Point - South Beach Project. Staff is recommending that the public hearing be opened and closed and that there be no action taken on this item.

Continuing technical problems prevent going forward with this hearing. It is unknown when these technical problems will be ironed out. To avoid confusion in the minds of the public, staff believes it best to close (terminate) the public hearing rather than continuing it again. When those matters have been resolved a new hearing will be noticed as required by law.

There being no persons wishing to appear regarding this matter, the President declared the public hearing closed.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT ITEM (a) BE DROPPED FROM THE AGENDA.

NEW BUSINESS

- (a) Resolution No. 236-83, requests authorization of a First Amendatory Agreement to the LDA with Van Ness Center Associates, a California partnership (to be formed and of which the partners will be Chevron Land and Development Company, a corporation, and the Grosvenor Fund, a general partnership, between Grosvenor Properties, Ltd. a corporation and State Savings and Loan Association, a corporation), in connection with Parcel 690, Lots 13, 14 and 15, bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. On May 10, 1983, the Commission approved an Owner Participation Agreement with Van Ness Center Associates, which permitted the Owner 120 days from the date of the Commission's action to form the general partnership. The Developers have requested an additional 60 days to form the general partnership and to execute the OPA.

Mr. Newman indicated that in the letter from Mr. Nat Taylor of August 23, 1983, he indicated that there would be 30,000 less square footage in the towers and inquired what the purpose of that was and Mr. Taylor indicated that since the last time they were before the Commission they have taken 30,000 gross square footage out of the residential towers and they are not putting it anywhere else, it is just being eliminated. Mr. Newman inquired if 60 days would be enough time to finalize the partnership agreement and obtain financing and Mr. Taylor indicated affirmatively.

President Lee inquired if there would be any significant design changes and Mr. Taylor indicated no.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-83 BE ADOPTED.

- (b) Resolution No. 237-83, requests authorization of a First Amendatory Agreement with the California Conservation Corps to allow for fifty additional trees to be planted along Van Ness Avenue in the Western Addition A-2 in an amount not to exceed \$11,500.

Mr. Hamilton reported on item (b) as follows. On August 9, the Commission authorized an Agreement with the California Conservation Corps under which the CCC will use Federal Emergency Jobs Act funding to plant approximately 110 trees along Van Ness Avenue between McAllister Street and Bush Street in the Western Addition A-2. CCC has indicated a desire to provide at their expense the labor to plant more trees if the Agency would defray the direct costs of the trees, planting supplies and related material expenses. Staff feels that the additional fifty trees would greatly enhance the overall impact of the Van Ness planting, filling in conspicuous bare spots at the bus stops and establishing a high degree of visual consistency along the street. Fronting property owners and merchants have generally responded favorably and the Planning Department and the Department of Public Works support planting the additional trees.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-83 BE ADOPTED.

- (c) Resolution No. 238-83, requests authorizing the Leasing by the San Francisco State Building Authority to the State of California Parcel 767-A and B located in the block bounded by Van Ness and Golden Gate Avenues and McAllister and Franklin Streets; Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. On May 3, 1983, the Commission approved the assignment of all rights and interest in the LDA/OPA to the San Francisco State Building Authority and a revision of the Performance Schedule which was also extended to reflect a conveyance plan based primarily on the uncertainty of when the financing package would be in place. It has always been understood that the ultimate occupant of the building would be the State of California. Since the actual developer of the building is now the San Francisco State Building Authority, the Authority will need to lease the building to the State. Normally such a lease would be entered into subsequent to completion of the building. However, because of the financing mechanism that is contemplated to be used, the lease must be executed and recorded at the time of purchase of the Site from the Agency and is a requirement of the LDA prior to construction.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-83 BE ADOPTED.

- (d) Resolution No. 239-83, requests authorization of a First Amendatory Agreement which revises the conveyance date to the LDA with Parcel F-5 India Basin, Ltd., for Parcel F-5 located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (d) as follows. On April 19, 1983, an LDA was authorized with Parcel F-5 India Basin, Ltd. for the development of Parcel F-5. The General Partners are Thomas R. Lile, Jr., and his wife, Karen J. Lile. The property will be developed for lease to small businesses, which will have the opportunity to buy an ownership interest in the Limited Partnership following the completion of the 36,000 square foot facility. The Developer has submitted satisfactory evidence of financing and Staff placed all documents into escrow on July 29 with 3 major preconditions to closing, one of which has been satisfied. One is that the Developer obtain escrow instructions and loan documents from the lender and second that the Developer submit and the Agency approve an Affirmative Action program. The Developer is certain that these conditions will be met before the close of escrow scheduled for September 1, 1983, but as a precaution has requested an extension on the conveyance date until October 1, 1983.

Mr. Newman inquired if Mr. Lile's loan was in place and Mr. Lile indicated affirmatively, that he and his wife had signed the deed and loan papers this morning.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-83 BE ADOPTED.

- (e) Resolution No. 240-83, requests authorization of a rental agreement with Tenants and Owners Development Corporation (TODCO) for use of 18,022 square feet, located in the east side of Lapu Lapu Street

NEW BUSINESS (continued)

between Folsom and Harrison Streets in Yerba Buena Center, for the purpose of developing a community garden.

Mr. Hamilton reported on item (e) as follows. The City and County of San Francisco has provided funds to TODCO for the garden's development and upkeep. TODCO will be responsible for installation of all the improvements, which have been approved by the Agency's architectural department. A management plan for the community garden has been developed by TODCO, which outlines the procedures for the selection of users and for the overall operation and maintenance of the garden. TODCO staff will oversee the management and community relations aspect and the Woolf House staff who will be responsible for the day-to-day operation of the garden to insure they will be kept in a clean and orderly manner. This property will be vacated by Metropolitan Parking, which will mean a loss in revenue to the Agency of \$1,262 per month. Since the garden will serve those persons living in the area and provide a much needed public amenity to the elderly in YBC, it is staff's recommendation that a minimal rental rate of \$25 per month be charged to off-set administrative costs to the Agency. The City will pay for the maintenance costs and the monthly rental. It is staff's intent to subsequently recommend a long term lease agreement with TODCO for operating the gardens.

President Lee requested Mr. Elberling briefly describe how he intends to choose the tenants for the garden. Mr. Elberling indicated that the gardeners of the former Clementina Street community gardens would have first priority with second priority going to the elderly residents of the Mendelsohn House, Silver Crest and Alexis Apartments that do not now have other garden facilities, and if there is any spaces left over then those residents of Woolf House will have third priority.

Mr. Newman indicated that a long term lease was admirable, but was concerned that this property may be needed to build low cost housing or other structures and inquired if the lease could not be made shorter and Mr. Hamilton indicated that the subject rental agreement is on a month-to-month basis and the long term lease being considered will have a built in review period where, at the option of the Agency, the lease can be reconsidered.

Mr. Mardikian inquired if Metropolitan Parking is voluntarily vacating this parcel and Mr. Hamilton indicated no, they would prefer to continue to do business, however they are on a month-to-month rental. Mr. Mardikian indicated then this action, in effect, terminates their lease and Mr. Hamilton indicated affirmatively, their rental agreement. Mr. Mardikian inquired if the decline in revenue from this property has any impact at all on the recent bonding and Mr. Hamilton indicated no, this parcel is not involved.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 241-83, requests authorization of execution of Assumption Agreements and related documents in connection with the resale of units in the Mariners Village Condominium Development.

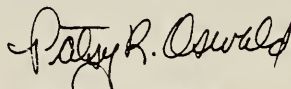
Mr. Hamilton reported on item (a) as follows. This item requests approval of Assumption Agreements and related documents in connection with the resale of units in the Mariners Village Condominium Development. As part of that program for the development of Mariners Village, the Agency made deferred mortgage loans to the original purchasers covering mortgage discounts and closing costs. The Agency also retains an assignable option to repurchase units in Mariners Village should the owners desire to sell within four years of the original conveyance date. When an original purchaser desires to sell his or her unit, the intention was for the Agency to locate a family that qualified under the HUD 235 program and assign its option to repurchase to that family, thus preserving the HUD interest subsidy for that unit. The qualifying family would also assume the seller's obligation in regard to the Agency's deferred loans as part of the purchase. We have a recent situation in which, upon being notified of a Mariners Village owner's desire to sell, the Agency was unable to locate a qualifying family to whom the purchase option could be assigned. However, through their own efforts, the sellers have found a qualifying family and it is, therefore, necessary for the Agency to execute an Assumption Agreement whereby the Agency releases the sellers from the obligations of the deferred loan and the purchasers agree to accept such obligations. The subject resolution would provide authority for the Executive Director to execute Assumption Agreements and other related documents in such cases. The terms and conditions of the deferred loans will remain the same as for the original purchasers, and the effect will be merely to substitute a new qualifying family for the original purchaser.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

September 20, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF SEPTEMBER 1983

OCT 12 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of September, 1983, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Melvin D. Lee, President
- Leroy King, Vice President
- Charlotte Berk
- Dian Blomquist
- Haig G. Mardikian
- Walter S. Newman

and the following were absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Roger Staples, Staples & Pfeiffer; Mary Helen Rogers, Pleasant Carson, Western Addition Project Area Committee (WAPAC); Richard P. Lieberman, Broadmoor; Lyman Jee and Henry Poy, Arcon Pacific; and John and James O'Neill, Alonzo and Rebecca Reece, Mary Lou Rogers, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of June 28, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of August 30, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The bonds to construct the State Office Building closed today, the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

construction contract has been awarded, and the notice to proceed has been issued. Construction will start no later than October 11, and it could begin sooner.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel 1126-K, Western Addition A-2.

Resolution No. 247-83 requests authorization of a Land Disposition Agreement for Rehabilitation with Alonzo and Rebecca Reece for the Development of two residential units on parcel 1127-K, 1909-1911 Ellis Street in the Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. This item was continued from last week's meeting to allow for further consideration and staff analysis of the disposition price and general economics of the project. Staff has now worked out those concerns and based on their findings it is recommended to proceed with authorization of the LDA with the Reece's for purchase and rehabilitation of 1909-1911 Ellis Street at a reduced disposition price. When the fair reuse value was established, it was based on HUD policy of land value plus 20%, which staff has generally continued to follow since project close out. That gave the property a value of \$49,572. However, since the value of the site is not enhanced by the improvement, due to the extensive rehabilitation required, this practice seems unreasonable in this particular instance and it is recommended that the value be based on land value alone at \$41,300. The cost of rehabilitation will be closely looked at including how the Reece's will cover the debt service to accomplish the rehabilitation.

Ms. Mary Rogers, WAPAC, urged the Commission approve this item. There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed.

Mr. Newman indicated he was in favor of this item and inquired if this would be setting a precedent which the Agency would be bound by and Mr. Leo Borregard, Agency General Counsel, indicated no. The Agency was selling for fair reuse value.

President Lee inquired how soon the detailed drawings would be ready in order to obtain a safe figure for the rehabilitation and the developer's architect indicated she would have the preliminary drawings, which will be more detailed than the usual preliminary drawings, ready by October 11 and the cost can be looked at then, though they will not be the final costs.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-83 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel F-6, India Basin Industrial Park.

Resolution No. 259-83, requests authorization of a Land Disposition Agreement with Staples & Sons, for Parcel F-6, south side of Evans Avenue between Mendell and Keith Streets, India Basin Industrial Park.

President Lee opened the public hearing to all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. Staples & Sons is a manufacturer of pipeline strainers used on ocean-going vessels. The firm, in existence since 1904, has outgrown its present location and desires to remain in San Francisco. The Developer proposes to construct a building containing office, shipping, testing, storage, loading and unloading facilities which will comprise a total of 16,000 square feet. The remainder of the 32,000 square foot site will include 26 parking spaces and landscaped areas. The firm's workforce is presently comprised of five members of the Staples family and five machinist union employees and though 14 positions are required for this site (20 jobs per acre), staff and community believe there are circumstances that mitigate on behalf of the developer. Projected employment growth through mid-1985 is expected to rise to a total of 15 to 18 employees. The developer's current site limited his operating space and his ability to increase his staff. With these anticipated new jobs, this firm will have the required number of jobs for this site. Mr. Staples is aware of and fully supports the Agency's policy to provide employment priority for neighborhood residents. Representatives of the Developer have met with the Board of Directors of the Bayview-Hunters Point Joint Housing Committee which favorably endorsed the project.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

Ms. Blomquist inquired how the developer had heard about India Basin and Mr. Roger Staples indicated through friends who have also moved their businesses to India Basin. Ms. Blomquist inquired how many parcels were left in India Basin and Mr. James Wilson, Area Director, Hunters Point/India Basin, indicated that at this time, there are three industrial and one commercial parcel to be sold.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-83 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Public hearing to hear all persons interested in the Assignment and Transfer of Interest in the Land Disposition Agreement for Parcels 3706-H and 3706-H(1) in Yerba Buena Center.

Resolution No. 260-83, requests authorization of Arcon/Pacific, Ltd. to assign and transfer to Tag-Arcon-Pioneer, Ltd., all rights, title and interest in the Land Disposition Agreement for Parcels 3706-H and 3706-H(2), southwest corner of Third and Stevenson Streets, Yerba Buena Center.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner, item (b) would be held to a later time in the meeting at staff request. There being no objection, it was so ordered.

- (c) Resolution No. 261-83 requests authorization to award Agreement No. DH-1 to Ridgeway Concrete Company in the amount of \$2,245.00 for the construction of sidewalk and other related improvements at the rear property line of 885 Duncan Street and Diamond Heights Boulevard in Diamond Heights.

Mr. Hamilton reported on item (c) as follows. In January, 1956, the Agency executed an Owner Participation Agreement with the property owner at 885 Duncan Street. The Owner Participation Agreement also provided for the purchase by the property owner of a parcel of land immediately behind his property. In a letter to the owner dated February 4, 1966, the Agency stated its commitment to construct the necessary sidewalk along the Diamond Heights Boulevard frontage which was never done. On June 7, 1983, the Department of Public Works issued a notice to the owner requiring the construction of the sidewalk. The owner then requested the Agency to construct the sidewalk as promised. The Legal Division reviewed this matter and determined that the Agency is still obligated to construct the sidewalk. Three bids were received for this work with Ridgeway Concrete Company the low bidder. This firm is a minority contractor located in San Francisco and has performed satisfactory work as a subcontractor on Agency rehabilitation contracts.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-83 BE ADOPTED.

- (d) Resolution No. 262-83, requests authorization of Exclusive Negotiations for 90 days with John and James O'Neill for the Parcel located at the southeast corner of Broderick and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. On June 22, 1982 the Agency Commission approved the negotiated sale of vacant sites in the Western Addition having less than 10,000 square feet. Since that time Staff has proceeded to market these parcels. The O'Neills propose to build 8 one- and two-bedroom market rate condominiums on this site over a garage. The design is in a preliminary stage, and

NEW BUSINESS (continued)

the Developer has pledged to work closely with Agency Architectural staff. James and John O'Neill are San Francisco based developer/builders who have constructed several residential buildings of the same scale as the proposed development and have evidenced the financial capacity to go forward. The units are expected to sell in the neighborhood of \$114,000. Since the development is to be condominiums for sale, Staff recommends a profit limitation under which the Developer shall pay to the Agency 50% of any profit realized by the Developer from the sale of the units in excess of twenty percent of "Allowed Development Costs". Any amounts paid to the Agency shall be utilized to assist in affordable housing developments.

Ms. Mary Rogers, WAPAC, inquired about the appraisal value and appraisal date of this property and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated the price is \$51,300, but at this time he did not have the appraisal date, and would have to give that to her later. Ms. Rogers commented that since property is becoming so expensive in that area, maybe there is a way not to reappraise the property in 18 months and Mr. Hamilton indicated that he would watch this property carefully, but it would be reappraised in 18 months.

President Lee inquired about the square footage and Mr. O'Neill indicated he had not seen the drawings, but believed there would be six, one-bedroom units with approximately 800-900 square feet and two, two-bedroom units with approximately 1,200 square feet.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-83 BE ADOPTED.

President Lee inquired if staff was ready to present Item 9(b) at this time and Mr. Borregard indicated that he had been advised by Lyman Jee that Arcon Pacific has requested a one week continuance of this item and Mr. Borregard indicated he would like Mr. Jee to confirm that for the record. Mr. Jee indicated that he confirmed this request. Mr. Borregard asked Mr. Jee if he is a General Partner and Mr. Jee indicated affirmatively. Mr. Borregard inquired if Mr. Jee's counsel is aware of this and Mr. Henry Poy indicated affirmatively.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner, item (b) would be continued for one week at Mr. Lyman Jee's request. There being no objection, it was so ordered.

- (e) (f) Item (e) Resolution No. 263-83 requests authorization of a document entitled, "Subjection of Reversionary Interest to Condominium Declaration and Plan" in connection with the Parcel located on the east side of Gough Street, between Golden Gate and McAllister Streets; and item (f) Resolution No. 264-83 requests authorization for the Executive Director to execute similar documents in the

NEW BUSINESS (continued)

future, with respect to other approved condominium developments in the Western Addition A-2.

Mr. Hamilton reported on items (e) and (f) as follows. The subject Parcel was conveyed to McAllister Properties, Ltd. for residential condominium developments presently under construction. The LDA and Conveyance Deed provide for a reversion of title to the Agency in the event of a default by the Developer prior to the Agency's issuance of its Certificate of Completion. Recognizing that a financial burden will be placed on the Developer if a sale of a completed condominium unit is delayed pending the completion of all units, the Agency has agreed to issue its Certificate of Completion on individual units, when completed. Issuance of the individual certificates will eliminate reversionary rights as to the unit or units certified complete, but will not eliminate such rights as to the remaining units. Accordingly, the California Department of Real Estate requires assurance by the Agency that in the event of any reversion of title to the remaining units in the Agency by reason of default by the Developer, such reversionary title will be subject to the condominium declaration and plan for this development. The Department of Real Estate will not issue its Final Public Report on this development until this requirement is satisfied and the Developer is precluded from selling any units without the report. In order to satisfy the requirements of the Department of Real Estate, it is necessary to execute a document entitled "Subjection of Reversionary Interest to Condominium Declaration and Plan". Staff anticipates that from time to time there will be a need to execute similar documents. To alleviate the necessity of bringing such ministerial acts to the Commission for approval in the future, Staff recommends that the Executive Director be authorized to execute such documents.

Mr. Pleasant Carson, Executive Director, WAPAC, and Ms. Mary Rogers, WAPAC, both indicated concern regarding these items and Mr. Leo Borregard, Agency General Counsel gave a full and complete explanation of why this is being done and how it works.

Ms. Blomquist inquired why this was not done for other condominium developments and Mr. Borregard indicated it is only done when the Real Estate Commission requires it. Ms. Blomquist inquired if this had been done before and Mr. David Oster, Assistant General Counsel indicated it had been done for the Golden Gateway development. Ms. Blomquist inquired why it had not been done for Opera Plaza and Mr. Oster indicated it had not been required.

Mr. Newman expressed his concern that notice of completions would be issued before the common areas were completed and all units tenantable and Mr. Thomas Ma, Senior Architect, explained that only interim occupancies are issued in these cases and all lights, sewers etc. are tested before notice of completions are issued, so the units are tenantable.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-83 BE ADOPTED.

- (g) Resolution No. 265-83 requests authorization of a First Amendatory Agreement to the LDA with Mrs. Irene M. Lieberman for the Parcel located on the northeast corner of Gough and Post Streets in the Western Addition A-2. The Agreement will extend the performance date for conveyance of the property for 90 days.

Mr. Hamilton reported on item (g) as follows. On December 21, 1982, an LDA was approved with Irene M. Lieberman to build a park for use of the elderly residents of her adjacent hotel. The park will have a series of sitting areas and for security purposes will be raised above the sidewalk approximately 10 feet. The development is presently delayed because of problems in securing a building permit. The Developer and the Bureau of Building Inspection (BBI) disagree about the occupancy classification of the proposed park based on the San Francisco Building Code. Mrs. Lieberman has petitioned for a hearing before the Board of Examiners, which is scheduled for tonight at 7:00 p.m. If the Board of Examiners agrees with the Developer, the permit will be issued in a matter of days but, if BBI's interpretation is upheld, the entrances and exits of the park will have to be redesigned. In either case the conveyance date of September 21 will not be met and an extension to December 21 is recommended.

Mr. Mardikian inquired that since this Commission took certain actions regarding this property, would BBI now be taking actions contrary to that and Mr. Hamilton indicated he did not believe so. Mr. Lieberman indicated that there is a grey area regarding the exits and if BBI does not approve them tonight he will have to redo the exits. Mr. Mardikian inquired if anyone on staff would be attending tonight's meeting at BBI and Mr. Hamilton indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-83 BE ADOPTED.

- (h) Resolution No. 266-83 requests authorization to amend Salary Resolution No. 208-83 to adjust the compensation schedule for Controller and to appoint Larry R. Wright to this classification effective October 3, 1983.

Mr. Hamilton reported on item (h) as follows. Because staff does not intend to recommend filling both the position of Deputy Controller and Controller, a recommendation is being made that only the Controller's position be filled, at a level midway between the current established salaries for the two classifications. This action would place the salary for Controller at the level of the

NEW BUSINESS (continued)

technical chiefs, which is appropriate in terms of relative levels of responsibility and authority. It is also recommended that Mr. Larry R. Wright be appointed to fill this position.

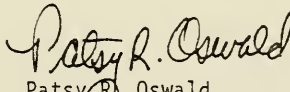
Ms. Mary Rogers, WAPAC, indicated she was very happy to see a Black appointed to this position and urged Commission approval.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-83 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

October 4, 1983

JAN 9 1984

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF SEPTEMBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of September, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Charlotte Berk
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian
Walter S. Newman

and the following was absent:

Leroy King, Vice President (arrived at 4:50 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Debra and Erris Edgerly, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Ms. Milner, Milner McGee; Nicola Smith, Charles Sprincin, Suttermore and Kimball Park; Amos Brown, Third Baptist Church; and Alonzo and Rebecca Reece and Mary Hanney, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of June 7, 1983, as distributed by mail to the Commissioners, be adopted.

It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the minutes of the closed meeting of August 16, 1983, as distributed by mail to the Commissioners, be adopted.

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed meeting of August 23, 1983, as distributed by mail to the Commissioners, be adopted.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in Disposition of Land Agreement for parcel 8-6(b); India Basin Industrial Park.

UNFINISHED BUSINESS (continued)

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 222-83, requests authorization of an LDA with Jack Bodeewes Associates, Inc. for Parcel B-6(b) located on the northwest corner of Jennings and Newhall Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. This item was continued from the meeting of August 16, 1983 to today's meeting to allow the developer time to revise his schematic drawings. Staff reviewed the incomplete set of drawings submitted on September 6 and determined that additional architectural work is required to resolve some design questions. It is therefore requested that the public hearing and action on this item be continued to the meeting of October 4, 1983.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (a) would be continued to October 4, 1983. There being no objection it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in execution of deeds for open space parcels; Hunters Point.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 242-83, requests authorization to convey open-space parcels to the owners of - Jackie Robinson Apts., Ltd., Ridgepoint Non-Profit Housing Corporation, Unity Homes, Inc., in the Hunters Point Project Area.

Mr. Hamilton reported on item (a) as follows. In planning the first subsidized housing developments for Hunters Point, substantial cost-saving revisions were necessary to meet HUD's statutory mortgage limits, therefore landscaping and maintenance for the unbuildable sloped areas within the developments were not included in the mortgage package. The Agency utilized other funding to improve the open-space areas with landscaping, irrigation, benches and sidewalks at no cost to the individual developers. The Agency assumed maintenance responsibility after it became evident the City's Recreation and Parks Department was unable or unwilling to. Due to Agency staff reductions and budget decreases over the years, the Agency's ability to maintain the open-space activities has been reduced, and in 1981 HUD advised maintenance of open-space was not an eligible use of Block Grant funds. Staff's investigation and physical inspection of the open space sites clearly demonstrates that these parcels are totally unmarketable to any party other than the owners of the adjacent housing developments. Accordingly, staff recommends that ownership of the open-space areas be transferred to the adjacent property owners at no cost. The deed is subject to the

NEW BUSINESS (continued)

condition that the property conveyed shall be used for open space purposes only.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

Mr. Newman inquired if this land would remain as open space in perpetuity and Mr. Hamilton indicated it would remain so for at least forty years from the 1969 adoption of the Hunters Point Redevelopment Plan. Mr. Newman inquired if the persons who have use of the open space have the right to sell it and Mr. Hamilton indicated no.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-83 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the Assignment of Interest for Parcel 707-B; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 243-83, the subject of the public hearing, requests authorizing the assignment of interest in the LDA with Goodlett Management Corp., doing business as Kimball Park Project, to Kimball Park Corp. for development of the parcel located on the northeast corner of O'Farrell and Steiner Streets in the Western Addition A-2.

- (c) Resolution No. 244-83, requests authorization of an Eighth Amendatory Agreement, which extends the conveyance date of the subject parcel for 30 days to October 7, 1983.

Mr. Hamilton reported on items (b) and (c) as follows. In April 1981, the Commission approved an LDA with Goodlett Management Corp. for development of 20 two-bedroom condominiums over a parking garage. At the February 22, 1983 meeting the Commission was informed of the addition of the Sprincin Company, Inc. as a participant in the proposed development and this firm is 50 percent owner of the development. The developer has submitted to staff a construction loan commitment for this development. Kimball Park Corp. has submitted satisfactory evidence of financing and although the developer anticipates that conveyance will take place this month, to take into account unforeseen delays, they are requesting a 30-day extension from September 7 to October 7, 1983.

Mr. Charles Sprincin, the developer, requested approval of not only items (b) and (c), but also items (d) and (e), which he is also involved in and further he commended staff on the support and help they had given him.

NEW BUSINESS (continued)

There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed.

Ms. Blomquist indicated that as an opponent of this project for many years, this is about the most positive step she had seen this project take in the six years it has been before the Commission. Ms. Blomquist inquired what is holding the project up from being conveyed and Mr. Hamilton indicated the issuance of the site permit, which he was advised was to be issued today and that was the remaining event after which the site would be conveyed and construction started.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-83 BE ADOPTED.

- (d) Public hearing to hear all persons interested in the Assignment of Interest for Parcels 678-C(1) (2) (3); Western Addition A-2.

Resolution No. 245-83, requests authorizing Assignment of Interest in the Land Disposition Agreement for Parcels 678-C(1) (2) (3), north side of Sutter between Fillmore and Steiner Streets, by Suttermore Associates to Suttermore Corporation; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

- (e) Public hearing to hear all persons interested in a Fifth Amendatory Agreement for Parcels 678-C(1) (2) (3); Western Addition A-2.

Resolution No. 246-83, requests authorizing a Fifth Amendatory Agreement which provides for the phased conveyance and construction of the development with Suttermore Corporation for Parcels 678-C(1) (2) (3), located on the north side of Sutter between Fillmore and Steiner Streets; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

Mr. Hamilton reported on items (d) and (e) as follows. An LDA was authorized in October 1981 with Suttermore Associates for development of 68 one and two bedroom condominiums and 15,000 square feet of commercial/office space. At the March 15, 1983 meeting the

NEW BUSINESS (continued)

Commission was informed of the addition of the Sprincin Company, Inc. as a participant in the proposed development. The assignment conveys interest in the LDA with Suttermore Associates to Suttermore Corporation of which the Sprincin Company, Inc. is 50 percent owner. The developer has submitted to staff a construction loan commitment for the 68 market rate condominiums. The Fifth Amendatory Agreement requests that this site be developed in two phases. The residential portion would be conveyed by the conveyance date of October 12, 1983, presently in the LDA. However, since the developer is still negotiating with prospective investors and tenants, permission has been requested to develop the office/commercial building as a separate phase with conveyance on September 3, 1984 and completion of construction 12 months later. The disposition price of the subject parcels expired and staff had an independent appraiser reappraise the site in accordance with standard appraisal practices. It was determined that the disposition price should remain the same. The appraiser's conclusion is based on an analysis of market data in the area which indicates a level real estate market since appraisals performed in mid-1981.

Ms. Blomquist inquired when Phase 2 would start and Mr. Hamilton indicated Phase 2 would be conveyed on September 3, 1984 with completion of construction 12 months later.

Ms. Nicola Smith, Kimball Park and Suttermore, spoke on behalf of the developers on both projects and thanked the Commission and staff for their cooperation.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-83 BE ADOPTED.

- (f) Public hearing to hear all persons interested in Disposition of Land for Parcel 1127-K; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 247-83, requests authorization of an LDA for Rehabilitation with Alonzo and Rebecca Reece for the parcel located at 1909-1911 Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (f) as follows. It is recommended that this public hearing be opened and closed and that no action be taken on this item. At this time staff is working to resolve problems regarding the disposition price. A value question has arisen which is considered very significant and needs to be addressed by a very definitive analysis if a serious public criticism in our value process is to be avoided. Though the end

NEW BUSINESS (continued)

result may not be any different, a more credible process in terms of value must be put in place. There is a great desire to move expeditiously with this as the Reeces' are one of the unfortunate families involved in the fire at Divisadero Heights and conveyance should be as quickly as possible. The following persons spoke in favor of not continuing this item to another date, but to act on it tonight. Ms. Mary Rogers and Mr. Pleasant Carson, WAPAC; Ms. Rebecca Reece; Ms. Mary Hanney, Developer's Architect; Mr. Alonzo Reece; Mr. Amos Brown, Third Baptist Church.

A considerable discussion took place between Commissioners and staff regarding land costs versus construction costs and the method used to arrive at those costs. It was determined that the Public Hearing would be reopened so that it could be continued until next week.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY APPROVED TO REOPEN THE PUBLIC HEARING AND TO CONTINUE THE PUBLIC HEARING UNTIL THE MEETING OF SEPTEMBER 20, 1983.

- (g) Public hearing to hear all persons interested in the execution of Deeds for three condominium units; Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Authorization is requested to execute the deeds and other conveyance instruments in connection with the sale of three condominium units in the Affordable Condominium Program: Resolution No. 248-83 is for 1943 O'Farrell Street to Polly Hanson; Resolution No. 249-83, is for 1962 Ellis Street to Erris and Debra Edgerly, and Resolution No. 250-83 is for 1970 Ellis Street to Michael Miller and Robyn McBurney.

Mr. Hamilton reported on item (g) as follows. On May 3, 1983, the Commission approved the disposition prices and authorized execution of deeds and conveyance instruments to potential purchasers for all 31 condominium housing units in the Affordable Condominium Programs. On August 22, 1983, six condominium units in two developments, 1400-12 Golden Gate Avenue and 1213-15 Scott Street, were conveyed to purchasers on this approved list of applicants. However, qualified purchasers for the subject units were not available from the approved list. Ms. Hanson is the next one-bedroom applicant in line to be processed from the original lottery and will be purchasing the last one-bedroom unit. The Edgerlys and Mr. Miller/Ms. McBurney applied as a result of additional marketing efforts that took place after staff had gone through all the qualified two and three bedroom applicants in the original lottery. Two of the borrowers have received loan approvals from the lender, First Nationwide Savings. The third borrower's loan, Mr. and Mrs. Edgerly, is still being processed. Staff is confident they will qualify and it is recommended all three be approved by the Commission, so as not to have to reschedule another public hearing. The deeds and conveyance instruments will not be

NEW BUSINESS (continued)

forwarded for execution until the Edgerly's have been approved by the lender.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOS. 248-83 THROUGH AND INCLUDING 250-83 BE ADOPTED.

- (h) Resolution No. 251-83, requests ratifying the action of the Executive Director in contracting with Cal State Patrol Service, Inc. in connection with the vacation and security of the Goodman Building located at 1117 Geary Street in the Western Addition A-2.

Mr. Hamilton reported on item (h) as follows. During the last week of July, in meetings with the Mayor and the Sheriff, it became evident that the vacation of the Goodman Building was imminent and that this vacation would need support from security guards both during vacation and the interim period before possession of the building by the developer. Time constraints required moving rapidly and Cal State Patrol Service, Inc., an area-based security contractor, was contacted and agreed to provide security services at a rate of \$10.50 per hour per guard. From July 28, through August 8, three guards were needed for 24-hours per day; the period in which access to the building was provided for the occupants to remove their personal property, and one guard 24-hours per day from August 9 through September 30, 1983, the date by which the developer is expected to take ownership of the building. Should transfer to the developer be delayed, the Agency's needs would be reviewed and if further guard services are needed, Commission approval will be sought. The total number of hours involved in this request is 2,107. The cost of these services at \$10.50 per hour is \$22,123.50. Staff believes that this cost is justified given the potentially explosive nature of the circumstances surrounding this property.

Ms. Blomquist indicated concern that the Agency was spending a lot of money for guard service and inquired if a property manager could be found to live there for a couple of months and Mr. Hamilton indicated that staff had not been successful in a search for a property manager.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-83 BE ADOPTED.

- (i) Resolution No. 252-83, requests authorization of a Second Amendment to the Personal Services Contract with Economics Research Associates for the Yerba Buena Center. This amendment would increase the amount of compensation under the contract by \$25,000 to a total amount not to exceed \$65,000.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (i) as follows. ERA has assisted the Agency in all aspects of the marketing and developer selection for the mixed-use development in Yerba Buena Center in connection with the proposed amusement, recreation, and entertainment uses. The first contract was approved on October 17, 1978 and as amended totaled \$102,500. ERA has, since that time, under a new contract dated August 3, 1982, as amended on April 19, 1983, continued to provide updated economic viability and feasibility analysis of the risks and attendance projections for the ARE uses proposed by the developer. ERA's services have been essential to provide analysis of the developer's ARE proposals and staff continues to have need of ERA's assistance as negotiations are concluded by Olympia & York. The contract approved in 1982, as amended, was intended to provide consulting services through August 1983. Since the length of time necessary to complete the negotiations was then not known it was indicated that staff would then analyze the status of the negotiations to assess the ongoing need for ERA's services. An analysis indicates the need for an additional \$25,000 to provide services through the completion of the anticipated Development Disposition Agreement with O & Y. The Agency will then reanalyze the need to have ERA continue advising the Agency on the implementation of the project's ARE uses. This implementation phase may require additional work and necessitate submission of a further amendment for your consideration.

Ms. Blomquist requested an update on the amount of money spent on consultants in YBC and indicated her concern about the number of consultants and their time spent at meetings and requested staff to be more expeditious with money and time spent on consultants.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-83 BE ADOPTED.

- (j) Resolution No. 253-83, requests authorization of a Third Amendment to the Personal Services Contract with Keyser/Marston Associates, Inc., (KMA) for the Yerba Buena Center. This amendment would increase the amount of compensation under the contract by \$50,000 to a total amount not to exceed \$212,000.

Mr. Hamilton reported on item (j) as follows. KMA has assisted the Agency in all aspects of the marketing and developer selection for the mixed-use development in Yerba Buena Center. They participated as members of the developer selection group and have provided Staff and the Commission all the financial analysis and economic review during the entire Central Blocks negotiation process. In addition, they have assisted Staff in preparing a land valuation and economic model for the Central Blocks. They are currently part of the "core" negotiating team and are vitally involved in the entire negotiating process with Olympia & York. The funds

NEW BUSINESS (continued)

available under this contract have been expended and Staff believes it is essential to continue to have the availability of KMA's valuable services because of their significant role in the negotiations with O & Y. The current contract was intended to provide consulting services through August with the intent to analyze the status of the negotiations then. Staff analysis indicates an additional \$50,000 is needed to carry the Agency through completion of the anticipated Developer Disposition Agreement with O & Y. At that point a determination on the additional work which may be required under this contract will be made and a further amendment for consideration, may be submitted.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-83 BE ADOPTED.

- (k) Resolution No. 254-83, requests authorization of a Fourth Amendment to the Legal Services Agreement with the law firm of McDonough, Holland & Allen which increases the maximum amount payable by \$75,000 to be a total amount of \$290,000 in connection with the Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. This law firm has been providing excellent service to the Agency under this contract through one of its partners, Joseph Coomes.

Ms. Mary Rogers, WAPAC, indicated her concern about this law firm being required to adhere to the affirmative action hiring policies of the Agency and Mr. Hamilton responded that Mr. Coomes was hired as an individual and he happens to be associated with this law firm, but he is the only one from this firm that is working for the Agency.

Mr. Arnelle noted that Mr. Coomes is an individual who has special talents required to do this special work, but he is also an associate of a firm that has received to date \$215,000 in public funds and it seems that the principle should apply to this firm as it would apply to the Steefel, Levitt and Weiss firm. The principle being that wherever public funds are being used, then affirmative action policies of this Agency apply. Mr. Arnelle indicated

that the next time this matter comes before the Commission for a request for additional fees that he will want to see their affirmative action program and will vote accordingly. At this point he believed the Affirmative Action Officers for the Agency should let Mr. Coomes know of this one Commissioner's concern and hoped it was the concern of the general Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-83 BE ADOPTED.

- (l) and (m) Resolution Nos. 255-83 and 256-83, request authorization of two First Amendments to Agreements for Legal Services with the law firms of Steefel, Levitt & Weiss and Milner & McGee in the amounts

NEW BUSINESS (continued)

of \$100,000 and \$25,000, respectively, in connection with ongoing services for the Yerba Buena Center.

Mr. Hamilton reported on items (l) and (m) as follows. The Steefel law firm has been providing legal services under this contract to assist the Agency in ongoing negotiations and documentation preparation for YBC. The Steefel law firm has joined with two minority law firms acting as co-counsel, namely, Millner & McGee and Lee & Hui. The Steefel contract amount of \$50,000 has been nearly expended and this amendment would add \$100,000 to this contract. The contract amount with Millner & McGee has also been nearly expended and this amendment would add \$25,000 to this contract. The Lee & Hui contract contains sufficient funds to allow them to continue work and an amendment is not needed at this time. These two amendments will result in new total maximum amounts of \$150,000 and \$50,000 respectively.

Mr. Arnelle indicated that he was personally delighted to hear that the joint venture between the Millner McGee law firm and the Steefel, Levitt and Weiss law firm is doing so well and believed it a wonderful start. He also believed that the Steefel firm has been quite sensitive, as well as the Agency's General Counsel, in doing the joint venture effort and wanted to compliment them on that and also that it is realized that the McGee firm, particularly, Ms. Millner, the lead lawyer for the firm in this particular venture, is providing the kind of top flight service that is available.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-83 BE ADOPTED.

- (n) Resolution No. 257-83, requests authorization of a Fourth Amendment to the legal Services Agreement with the law firm of Shute, Mihaly & Weinberger, which will increase the maximum amount payable by \$7,000 to a total of \$67,000 in connection with the Yerba Buena Center.

Mr. Hamilton reported on item (n) as follows. This law firm has been providing specialized legal services to assist in the ongoing environmental issues related to land use in YBC. This additional funding is to be used for the finalization of mitigation measures for the YBC EIR in conjunction with the Disposition and Developer Agreement.

Mr. Hamilton noted that the same message should be delivered to this law firm as was requested be sent to Mr. Coomes firm regarding their Affirmative Action.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 258-83, requests amending Resolution No. 145-83, which approved the assignment and transfer of all rights, title and interest in Parcel 3750-A and in the Land Disposition Agreement concerning Parcel 3750-A (southeast corner of Third and Folsom Streets) from Taysan-Lincoln Associates, A California Partnership, composed of Taylor Woodrow of San Francisco, a California Corporation, and Lincoln Property Company No. 387, Ltd., a California Limited Partnership, to St. Francis Place Limited Partnership, a California Limited Partnership, whose general partner is Taysan-Lincoln Associates; Yerba Buena Center.

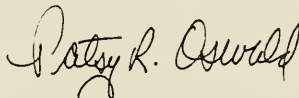
Mr. Hamilton reported on item (a) as follows. Structuring of the Taysan/Lincoln bond sale has now been completed and the Wells Fargo Bank Letter of Credit has been executed. The Official Statement is being finalized this afternoon and is expected to be mailed to the investing public tomorrow. This appears to be the last obstacle leading to the pricing of the bonds. The last remaining requirement is for the bond market to be in place at interest rates which make the financing feasible. Resolution No. 145-83, which authorized the assignment of the LDA from Taysan/Lincoln to St. Francis Place conditioned such approval on receipt of fully executed assignment documents by August 6, 1983. Because of the delay in the bond sale the assignment was not carried out prior to that time and the Resolution therefore needs to be amended to require the executed assignment documents to be submitted by September 20, 1983. With the release of the Official Statement the Developer is now prepared to execute the assignment and needs to have the Resolution amended to allow time to execute the necessary assignment documents.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 6:33 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 29, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF SEPTEMBER 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of September, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
H. Jesse Arnette
Dian Blomquist
Haig Mardikian
Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee (JHC); Lyman Jee, Arcon/Pacific; Anthony L. Morris, Bayview Hunters Point Joint Housing Committee; and John Igoo, Tayson-Lincoln Properties.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Kimball Park and Suttermore closed escrow last Friday, September 23 and construction is to begin within 30 days.
- (b) The regular meeting of the San Francisco State Building Authority will be held tomorrow Wednesday, September 28, 1983 at 10 a.m.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the Assignment and Transfer of Interest in Land Disposition Agreement for Parcels 3706-H and 3706-H(1), Yerba Buena Center.

Resolution No. 260-83, requests authorization of Arcon/Pacific, Ltd., to transfer to Tag-Arcon-Pioneer, Ltd., all rights, title and interest in the Land Disposition Agreement for Parcels 3706-H and

UNFINISHED BUSINESS (continued)

3706-H(1), located on the southwest corner of Third and Stevenson Streets, Yerba Buena Center.

President Lee opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. This item was continued from last week's meeting at the developer's request. Arcon/Pacific, Ltd., requests authorization to assign all its rights, title and interest in the LDA dated March 28, 1980, to Tag-Arcon-Pioneer, Ltd., whose general partner is Arcon/Pacific, Ltd. On September 28, 1981 Parcels 3706-H and 3706-H(1) were conveyed to Arcon/Pacific, Ltd., for construction of the Meridien Hotel. The financing package included provisions that the mortgagors - TAG Properties and Pioneer Industries Ltd. could exchange such indebtedness for an interest in the property as limited partners. This would occur by the formation of a new Limited Partnership with Arcon/Pacific Ltd. as the general partner and TAG and Pioneer as limited partners. No cash payments are involved in this assignment and since the proposed assignment was disclosed at the time the financing was submitted to the Agency prior to conveyance, staff recommends approval.

Mr. Leo Borregard, Agency General Counsel, indicated that between the time the original assignment was proposed and the publication was effected there was in his judgement a minor alteration made, namely, the substitution of Arcon Pacific Ltd. as a limited partner for Pioneer as a limited partner. They filed a new disclosure statement. The general partner remains the same from the time of the original notice and this substitution of a different limited partner, is in his judgement, not significant. To reflect this change he had added to the resolution the language identifying the entity to whom the Agency approved the assignment, which is the entity shown in the Redeveloper's disclosure statement certified September 23, 1983.

There being no persons wishing to appear regarding this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-83.

Mr. Lyman Jee, Arcon Pacific, indicated they are completing their hotel and will have a party October 1. He appreciated all that the Agency has done, and though completion of the building is two months late, will be ready for the Democratic Convention.

NEW BUSINESS

- (a) Resolution No. 267-83, requests authorization to amend the date of Conveyance of the LDA with Parcel F-5 India Basin, Ltd., for the parcel located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. The Agency has been informed that escrow closed yesterday on this property and amending the conveyance date is no longer needed. It is requested that this item be dropped from the Agenda.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (a) would be dropped from the agenda at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 268-83, requests authorization to confirm the Agency's contribution to employee health plans.

Mr. Hamilton reported on item (b) as follows. The Agency's health plans are provided to staff by contract with the Public Employees' Retirement System, which administers health plans for all State employees as well as many local jurisdictions and agencies throughout the State. This is advantageous to the Agency, as it allows a wide range of health coverage choices, negotiations with each of the carriers are done by PERS and coverage can be obtained for a lower cost. When the Agency entered into the Agreement with PERS in 1975, the authorizing resolution provided that the Agency would make the same employer contribution to the plans as the State did for its employees. Within the last two years, however, the State has begun negotiating salaries and fringe benefits with their employee unions, and because all State employees are not now receiving the same employer contribution, PERS has asked that the Agency adopt a resolution which specifically states the amount of the employer contribution that the Agency will pay for its employee and retiree health plans; Up to \$76 per month is paid for an employee only; \$148 for an employee and one dependent; and \$185 for an employee and two or more dependents. A formula is written into State law, which has been used to calculate the State contribution to the health plans. This formula is still used to establish the employer contribution rate for the large majority of State employees and for all State retirees. Staff recommends that these same rates be approved for Agency employees and retirees.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 269-83, requests authorization of a Third Amendatory Agreement to the LDA with St. Francis Place to extend the commencement of construction date to November 1, 1983 for Parcel 3750-A located on the southeast corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. The site was conveyed to the developer on May 17 subject to the Agency's right to revest title in itself should the construction and permanent financing to

MATTERS NOT APPEARING ON AGENDA (continued)

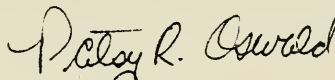
be provided by its issuance of tax exempt financing not be in place by a certain date. That date was subsequently extended. Despite fluctuations in the bond market, the bonds have now been priced by the underwriters and commitments for their sale have been obtained. The bond closing is set for October 27, 1983, and the developers will commence construction immediately thereafter on November 1, 1983. However, since the LDA provides for construction to start 60 days from the May 17, 1983 conveyance date, the developers have requested an amendment to this date to provide that construction must commence on or before November 1, 1983. Approval of a Third Amendatory Agreement making this change is recommended.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-83 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on litigation and personnel. The meeting adjourned at 4:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

October 4, 1983

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4/83

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF OCTOBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of October, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, Acting President
Charlotte Berk
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Melvin D. Lee, President
H. Jesse Arnelle

Acting President King declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary James, James Company; Larry Dillard, Safeway; Reverend Amos Brown, Third Baptist Church; Joseph Madonna, Olympia & York; Benjamin and Beverly Smith and Lenell Topol, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of September 20, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of September 27, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Last Thursday the California Conservation Corps, (CCC) under staff supervision and working closely with Department of Public Works completed planting 155 street trees along Van Ness Avenue within the Western Addition A-2. Previously 10 unemployed young men and women, plus the regular CCC crew were employed for this job. At the same time, a separate crew planted 100 street trees in Hunters Point.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Approximately one-third of the summer hires were residents of the Western Addition and Hunters Point. The Van Ness Avenue project has accomplished a significant and immediate transformation of a major San Francisco Boulevard, which this Commission authorized on August 9 and expanded on August 30.

- (b) The opening of the new Safeway Stores in the Fillmore Center is scheduled for October 15, 1983. Ten of the people who were in the pre-training program and are currently employed with Safeway Stores will be working at the new store. Mr. Hamilton then introduced Mr. Larry Dillard, the store manager.
- (c) There will be no regular Agency meeting next Tuesday, October 11. The next regular meeting will be held on Tuesday, October 18.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the Land Disposition Agreement for Parcel B-6(b), India Basin Industrial Park.

Acting President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 222-83, requests authorization of an LDA with Jack Bodeewes Associates, Inc., for Parcel B-6(b) located on the northwest corner of Jennings and Newhall Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. Action on this matter had been postponed to permit the developer to finalize schematic plans. These delays resulted from soils test which indicated a need to substantially revise the plans and the need to resolve design questions in connection with those revised plans. Satisfactory schematic plans have now been submitted to the Agency's architectural staff. The Developer, a commercial interior firm, proposes to construct a building containing show room/office shipping, loading and unloading facilities. They now have 25 employees, which is expected to increase to 75 by Fall of 1986. Jack Bodeewes Associates fully supports the Agency's agreement with Bayview Hunters Point Joint Housing Committee to provide employment priority for neighborhood residents; and the Board of Directors of Joint Housing have favorably endorsed the project.

There being no persons wishing to appear regarding this matter the Acting President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-83 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel I-3, India Basin Industrial Park.

Acting President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 270-83, requests authorization of an LDA with Daniel Hickey for Parcel I-3 located on the south side of Fairfax Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. Mr. Hickey is one of the owners of Minute Men Press, Inc. and his facilities have become extremely cramped and overcrowded as a result of the steady growth of his printing operations. He had intended to reactivate his bookbinding and stretch wrapping operations in the new structure to be developed on an adjacent Parcel, but finds that his printing and storage needs will preclude the other operations. Therefore, Mr. Hickey has requested permission to purchase and develop the subject Parcel to accommodate this broader scope of operations and proposes to construct a 12,600 square foot building. Minute Men Press has enjoyed steady growth, from five to fourteen employees, since its inauguration in 1971. An analysis of the firm's business statements for the past three years indicates the firm is fiscally sound with strong growth potential. Mr. Hickey projects an increase in the number of employees from 14 to 24 upon completion of the new structures or shortly thereafter. Under Agency guidelines this development ideally should yield 23 positions. Mr. Hickey is aware of the Agency's Neighborhood Employment Program and has acknowledged his intent to extend employment preference to qualified community residents. The Bayview-Hunters Point Joint Housing Committee has endorsed this proposal. Submission of evidence of financing would be due by July 5, 1984 and conveyance of the site by August 8, 1984.

There being no persons wishing to appear regarding this matter the Acting President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-83 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel 755-B, Western Addition A-2.

Acting President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 271-83, requests authorization of an LDA with the James Company for Parcel 755-B located at 1300 Golden Gateway Avenue/1101-1123 Fillmore Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Exclusive Negotiations were authorized on July 19, 1983 with the James Company

NEW BUSINESS (continued)

for the purchase and rehabilitation of this building containing 31 residential units and 5 commercial spaces. This building was the subject of Offering No. 21-A. Staff has reviewed and evaluated the response from the James Company, which has revealed that they have completely and satisfactorily met all the requirements of the offering. One of which was that Ms. James, the current and longstanding tenant who operates her business on the property, to have at least 40% certificate holder ownership interest and equity participation in the project. Certificate holders' Ms. Eiko Mizuhara will have 30% interest and Mr. George Nolley will have 10% interest and their Certificates will be exercised at the time of conveyance. The offering required a firm commitment for financing within 30 days after the LDA is approved, however, the developers believe they will not be able to meet that date and it is proposed that the LDA provide 90 days to submit evidence of financing. This will also give the developers time to explore conventional as well as FHA insured financing. Staff believes the James Company has a development team that has the financial capacity and rehabilitation experience to carry out the project to its successful completion and feels it reasonable to allow the requested additional time for submission of financing.

There being no persons wishing to appear regarding this matter the Acting President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-83 BE ADOPTED.

- (c) Resolution No. 272-83, requests authorization of a Third Amendatory Agreement which will extend the Performance Schedule for 90 days for Phase I in the LDA with Third Baptist Church for Parcel 750-A bounded by Eddy, Fillmore, Steiner and Turk Streets in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. The LDA was authorized in May 1982 with the developer who proposes to build, in three phases, a commercial/office building fronting on Fillmore Street; an elementary school with gymnasium for 360 students; and a sanctuary with a maximum seating capacity of 2,000 persons. On July 12, 1983, an extension was granted of the performance dates for Phase I in the LDA to give the Developer time to premarket the commercial and office space as recommended by their consultants. The Church has begun this effort, but it has been an unexpectedly slow process. In addition, they have begun negotiations with Safeway Stores, Inc. to purchase a portion of its adjacent parcel for parking. This Church is requesting an extension of the performance dates to complete this work. The developer has also been advised that November 4 is the price expiration date for this parcel and since conveyance is not expected to occur by then the property will have to be reappraised and staff will return with a further Amendatory to incorporate that price into the LDA.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-83 BE ADOPTED.

- (d) Resolution No. 273-83, requests authorization of a First Amendatory Agreement to the LDA with Benjamin and Beverly Smith, for the Parcel located at 1339-1341 Pierce Street, in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. An LDA was authorized in March 1983 with the Smiths for purchase and rehabilitation of a two-unit Victorian type structure. The Developers have submitted and staff has approved the final plans, specifications and a reputable contractor's bid for the rehabilitation work. However, they were not successful in their efforts to obtain financing for the project within the specified time period. Although Security Pacific National Bank is processing a loan application, the firm commitment that must be obtained by the Developers to meet the requirements of the LDA was not made available by the due date. In reviewing the Developers' past performance in their efforts to provide the required information of the LDA in a timely fashion, and in view of the lender's indication that they are in the final steps in the process to approve a firm loan commitment, staff believes an extension to submit evidence of financing to December 6, 1983 is warranted.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-83 BE ADOPTED.

- (e) and (f) Resolution No. 274-83, requests authorization to extend to January 18, 1984 Exclusive Negotiating Rights for the Yerba Buena Center's Central Blocks and Item (f) Resolution No. 275-83, requests an extension to January 18, 1984 for the Parcels located on the east side of Third Street between Mission and Howard Streets with the O & Y Equity Corp./Marriott Corp./Beverly Willis (O&Y) in the Yerba Buena Center.

Mr. Hamilton reported on item (e) and (f) as follows. In July 1983, the Commission granted O & Y an extension of three months until October 13, 1983 for the Exclusive Negotiating Rights for these parcels. When the draft Development and Disposition (DDA) is executed by the developer there will be an appropriate public review period prior to a public hearing and Commission consideration.

Mr. Newman inquired who determines the economic viability requirement regarding the addition of East Block 2 to the Central Blocks program and Mr. Hamilton indicated that it will have to be a determination which satisfies the Agency. Mr. Newman inquired what would the status of East Block 2 if the Agency believes its addition is an economic requirement and the developer does not and Mr. Hamilton indicated that in looking at the program and as negotiations have continued, the circumstances of that parcel remaining in the development program have been re-evaluated and staff feels at this

ESS (continued)

time it is still appropriate, but res-
economic necessity more broadly than perhaps
intended.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BLOMQUIST,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-83 BE ADOPTED.

- (g) Resolution No. 276-83, requests authorization of an Agreement for
Legal Services with the Law offices of Timothy C. Carr in an amount
not to exceed \$5,000 for the legal services of Lenell Topol for
completion of certain litigation and affirmative action matters in
Verba Buena Center and Hunters Point.

Mr. Hamilton reported on item (g) as follows. Ms. Topol, a former
staff attorney, resigned her position in June 1983, to join a law
firm in private practice. At that time she was involved in a number
of matters for the Agency and it is deemed appropriate and most
effective for the Agency to have Ms. Topol complete those items.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 276-83 BE ADOPTED.

- (h) Resolution No. 277-83, requests authorization of an expenditure of
\$15,000 from the funds granted by the Blyth-Zellerbach Committee to
the Agency. The services are to be provided by Chris Frederiksen in
connection with the cultural component of the YBC Central Blocks
mixed-use development.

Mr. Hamilton reported on item (h) as follows. The Blyth-Zellerbach
grant of \$95,000, of which \$26,000 remains, has been essential to
achieving a cultural program, which will be economically feasible
and is appropriate to serve the community; and it permitted the
Agency to engage the consulting services of Frederiksen/Peat,
Marwick, Mitchell/Co. to carry out three phases of work which
consisted of the "Blue Book", an economic analysis of the July 1981
Cultural Plan; and the last phase of determining all the cultural
planning reports and evaluating these against the resources that
will be available to build the facilities. TAC has made its
recommendation of a "critical mass" necessary to create an
appropriate cultural presence in the project. The Agency must now
be confident that those recommendations are a viable component of
the project. This assurance is critical since the Agency
operating costs are intended to be provided by the Agency.
Mr. Frederiksen will undertake the Financial Analysis and
Projection; Recommendations on Management Entity; Cultural Component
in the Development and Disposition Agreement and advising the
Agency. Since the primary work on the management concepts and the
financial models were prepared by Mr. Frederiksen, we believe it

NEW BUSINESS (continued)

would be most effective to contract for his services to refine these aspects of the proposal.

Mr. Newman complimented Mr. Frederiksen on the work he had done and that it looked complete and well analyzed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-83 BE ADOPTED.

- (i) Resolution No. 278-83, requests authorization of a First Amendment to the Personal Services Contract with Norman Pfeiffer of Hardy Holzman Pfeiffer Associates in the amount of \$25,000 to provide technical assistance in connection with the Central Blocks in Yerba Buena.

Mr. Hamilton reported on item (i) as follows. A contract with this firm was authorized in May, 1983, to provide in-depth analysis to determine more precisely the capital costs of cultural facilities and the spatial relationship of those facilities to the other elements of this mixed-use development. This has been an on-going process carried out with Mr. Pfeiffer's guidance in conjunction with the Agency staff, Peter Adamson & Associates, the urban design team, and the TAC. At this point in the design of the cultural facilities, having more precise construction projections and providing advice to the Olympia & York (O & Y) architects on the recommendations for incorporation of the cultural facilities is essential. Mr. Pfeiffer has provided a construction design insight and an expertise which is necessary to appropriately incorporate the cultural facilities in the program.

Ms. Blomquist indicated her concern about not seeing any work product from Mr. Pfeiffer after the Agency has already spent \$25,000 and Ms. Helen Sause, Project Director, Yerba Buena Center indicated a briefing of the Commission would be scheduled for October 19 to go over with Mr. Pfeiffer his work product.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-83 BE ADOPTED.

- (j) (k), (l) and (m) Resolution No. 279-83, requests authorization to add \$25,000 to Mr. Rai Okamoto's contract; Resolution No. 280-83, requests authorization to add \$10,000 to Mr. Thomas Aidall's contract, and Resolution Nos. 281-83 and 282-83, requests authorization to add \$7,500 each to the contracts of Mr. Hideo Sasaki and Mr. Harry Weese, enabling them to continue to provide urban design services for the Central Blocks of YBC.

Mr. Hamilton reported on items (j), (k), (l), and (m) as follows. For the past two years Mr. Okamoto has participated as the liaison with the Agency for the Design Review Panel, consisting of himself, Tom Aidala, Hideo Sasaki, and Harry Weese. That panel has participated in the discussions, studies and deliberations necessary

NEW BUSINESS (continued)

to enable the Agency to review the master plan for the Central Blocks in YBC. In addition to Mr. Okamoto's assistance to the Agency in reviewing the plans and design, he has provided specialized design comment on specific project issues such as East Block 2 and the Taylor-Woodrow development. He has also had the responsibility of preparing the urban design guidelines for the Scope of Development which is being incorporated in the final disposition document. Staff believes the services provided by these consultants are necessary to the design development for the YBC Central Blocks.

Mr. Newman inquired if the consultant's time was audited and Ms. Helen Sause, Project Director, YBC, indicated the consultants are authorized to bill the Agency under the Scope of Services and bill according to the number of hours they have spent at the Agency's request. Those hours and billings are reviewed against the authorization.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-83 BE ADOPTED.

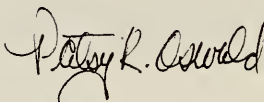
ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, that the meeting be adjourned to a closed session on litigation and personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 15, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF OCTOBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:10 o'clock p.m. on the 18th day of October, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Dian Blomquist
Haig Mardikian
Walter S. Newman

and the following was absent:

H. Jesse Arnelle
Charlotte Berk arrived at 4:20 p.m.

The President declared a quorum present.

Mr. Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were H. Grant DeHart, San Francisco Foundation for Architectural Heritage; Ocie Mae Rogers, Joint Housing Committee; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Anthony Morris, Bayview Hunters Point Housing Committee; Dave Clemente, Irwin Sherrick, United States Post Office; and Dennis M. Carlin, interested citizen.

Representing the press were Jerry Adams, Examiner; Reggie Smith, Chronicle; and Eileen Malone, Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of July 19, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of a closed session September 13, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of a closed session September 27, 1983, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Blomquist, seconded by Mr. Newman, and unanimously carried that the minutes of a closed session October 4, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is at the Board of Supervisors for a hearing on the Grand Jury Report.
- (b) The Agency is in a period of unprecedented activity with the following celebration of completions and groundbreakings:
 - (1) The Meridien Hotel in Yerba Buena Center has been dedicated and opened.
 - (2) The lottery for the Expandable Homes was held on October 17 in Hunters Point. One of the winners, Joean Wright, is in the audience. The homes are expected to be ready for occupancy by Christmas. Ms. Joean Wright thanked the Commission and indicated she was happy to have been given this opportunity.
 - (3) The Safeway Store in the Fillmore Center opened last Saturday morning at 6 a.m. with more than 150 shoppers at the doors and did an enormous business all day. Also, 12 employees from the pretraining program were on the job.
 - (4) This Saturday, October 22, the Western Addition Project Area Committee (WAPAC) will be holding its annual Convention and Election from 10 a.m. to 3 p.m. at Marcus Garvey Square 1672 Eddy Street.
 - (5) Ground will be broken at Kimball Park at O'Farrell and Steiner on Sunday, October 23 at 2 p.m.
 - (6) On Tuesday, October 25 at 4:30 p.m. the Mayor will break ground for the Sutter Park West development at Sutter and Steiner.
 - (7) On Thursday, October 27, Divisadero Heights will celebrate its completion with an open house from 1 p.m. to 5:30 p.m.
 - (8) On Friday, October 28 at 11 a.m., there will be a major event marking the start of construction of the new San Francisco State Office Building at Van Ness and McAllister.
 - (9) On Tuesday, November 1 at 11:30 a.m., St. Francis Place, the largest rental development in the City since the Golden Gateway, will break ground in Yerba Buena Center.
- (c) There will be no regular meeting next Tuesday, October 25; the next regular meeting will be Tuesday, November 1, 1983.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in Disposition of Land Agreement for Parcel 674-C(1), Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 283-83, requests authorization of an LDA with Dennis M. and Dolores M. Carlin, Dennis M. Carlin, Jr. and

NEW BUSINESS (continued)

Matthew G. Carlin for the parcel located on the east side of Laguna between Bush and Sutter Streets in Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Exclusive Negotiations were approved in June 1983 with the Developer who had originally proposed two condominium units, but after additional market research, decided upon three rental units. Because the original proposal included a two-story townhouse, the building exterior will not change. The performance dates for the LDA are: Submission of Evidence of Financing, February 1984; Conveyance of the Site, March 1984; and Commencement of Construction, April 1984.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-83 BE ADOPTED.

- (b) Resolution No. 284-83, requests authorization to award a contract to Kim M. Lee Contractor's Co. for rehabilitation of the former Western Addition A-2 site office at 1519-1529 O'Farrell Street into six residential units.

Mr. Kernan reported on item (b) as follows. This is the second time bids were solicited for this building. The first bids opened in July, 1983 and were rejected in August, 1983. In order to provide flexibility in determining the amount of the contract to be awarded, given the constraints of the authorized budget amount for the work the Bid Schedule was structured to reflect (1) a lump sum Base Bid for rehabilitation; and (2) an alternative providing for exterior painting. Bids were opened in September, 1983 and of the 35 contractors who obtained bid documents, five submitted bids with Kim M. Lee Contractor's Co. submitting the lowest bid of \$197,500. This San Francisco-based company is licensed, bondable, and has successfully completed similar projects for the City. In addition, its affirmative action program meets the Agency's Minority Business Enterprise (MBE) requirements as well as the Residency Hiring Provisions for the Western Addition.

In reply to Ms. Mary Rogers' (WAPAC) inquiry about the cost of the units, Mr. Gene Suttle, Area Director, Western Addition A-2 indicated the old A-2 site office which will be converted into three 3-bedroom and two 4-bedroom units will be in the \$200,000 range.

Ms. Berk joined the meeting at this time, 4:20 p.m.

Ms. Rogers expressed concern that it has taken some time to sell other condominiums and noted the prices were so great that it would probably be another year or two before they are sold. Mr. Kernan indicated the units will undergo the usual appraisal process and a fair market value will be set. He expressed a belief that housing prices were not increasing as rapidly as before.

NEW BUSINESS (continued)

In reply to Ms. Blomquist's inquiry about carpets and drapes, Mr. Suttle noted they would be included in the rehabilitation. Ms. Blomquist inquired if \$197,500 would be for the rehabilitation of the entire building, and Mr. Kernan responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-84 BE ADOPTED.

- (c) and (d) Resolution No. 285-83, request authorization of a Management Contract with Thomas Booker in an amount not to exceed \$6,200 for building management services of the Goodman Building located at 1117 Geary Street and Resolution No. 286-83 requests authorization of an expenditure of \$1,092 to Cal State Patrol for security services for the Goodman Building; Western Addition A-2.

Mr. Kernan reported on items (c) and (d) as follows. In September of this year a contract was ratified with Cal State Patrol Services to provide security of the Goodman Building during and subsequent to its vacation in an amount not to exceed \$22,123.50. This service continued beyond the expiration date of September 30 to October 5 at which time staff was able to place a 24-hour caretaker, Mr. Thomas Booker in the building. Mr. Booker will maintain a 24-hour security on the premises for a cost of \$5 per hour as opposed to Cal State Patrol's \$10.50. Mr. Booker's services will terminate when Mr. Allen Wofsy takes possession of the property or his rights to it no longer exist and more traditional security can be effected.

Ms. Rogers indicated \$22,000 had already been expended simply because of the building's location in the Van Ness Corridor. Mr. Kernan responded the Agency wished security were not required; however, the extraordinary process used to vacate the building, made security mandatory until Mr. Wofsy takes possession.

In reply to Ms. Blomquist's inquiry about the termination of this service in November, Mr. Kernan responded that it is estimated Mr. Wofsy will be able to take possession then. The date of conveyance is dependent on Mr. Wofsy's ability to proceed and not the Agency's. Ms. Blomquist indicated this service should be evaluated monthly.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-83 BE ADOPTED.

- (e) Resolution No. 287-83, requests authorization to establish Supplementary Program Requirements and Limitations for Development of the Rincon Annex Post Office Property located in the block bounded by Mission, Steuart, Howard, and Spear Streets in the Rincon

NEW BUSINESS (continued)

Point - South Beach Area.

Mr. Kernan reported on item (e) as follows. The Postal Service would like to make a public solicitation for development proposals as soon as practicable and be able to tell prospective developers the scale of development and uses that the Agency will permit and the contributions of low- and moderate-income housing that will be required. The Postal Service's proposal presented at the Workshop on May 31 would have permitted a scale of development in excess of what staff believed would lead to high quality design and development; commercial uses in excess of what is allowed by the Plan; fewer dwelling units than the Plan requires; and no provisions for low- and moderate-income housing. Subsequently, staff and Agency consultants engaged in extensive analysis of the economic and physical impacts of development alternatives for the site with two basic premises in mind: 1) the scale of development and permitted uses would be limited and kept in conformance with the letter and intent of the Redevelopment Plan and 2) the developer contributions to low and moderate income housing should be based on the potential profitability of any ultimate development. These studies were shared with the Postal Service who engaged their own consultants. After numerous and lengthy discussions, Agency and Postal Service staff agreed to recommend the specific requirements and limitations for the Rincon Point - South Beach as will be outlined by Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach. Staff believes that these proposed supplementary development limitations and requirements are reasonable, will enable the achievement of the goals and objectives of the Redevelopment Plan, and will enable the Postal Service to proceed with the sale and development of this important property.

Mr. Frank Cannizzaro outlined the specific requirements and limitations for the Postal Service's Property in the Rincon Point - South Beach,

In reply to Ms. Blomquist's inquiry about the additional height on the existing Rincon Annex Building, Mr. Irwin Sherrick, United States Post Office, stated that at the time the building was being constructed, the architects planned an 84-foot high building. However, when the war erupted, the rerods which were already up to full height were rolled over. Ms. Blomquist inquired if the design on that portion of the building would be modified and if it would only be on Howard Street to save money for low-to-moderate income housing. Mr. Sherrick responded the facades on the three streets would not be modified. Mr. Cannizzaro added the design modification was in the design of the low and moderate income units on the Howard Street portion to lower the cost. In response to Ms. Blomquist's inquiry, about the type of parking contemplated for the building, Mr. Sherrick stated that would be developer's choice at the time drawings are submitted. He noted some underground parking could be foreseeable. Ms. Blomquist inquired if the Post Office would be amendable to parking for more than the building, and Mr. Sherrick

NEW BUSINESS (continued)

noted there were no restrictions on the developer who would probably develop the property to its highest potential. Mr. Cannizzaro stated the Redevelopment Plan contains restrictions and must be modified to allow commercial parking or more than the maximum specified by the Plan. In response to Ms. Blomquist's inquiry about maximum parking for the site, Mr. Cannizzaro replied it will vary depending on the amount of residential versus commercial space developed.

Mr. Newman requested clarification on the mechanics of starting the project and inquired what role the Post Office and the Agency would play in developer selection, and Mr. Cannizzaro responded the Agency will take the same posture as it might with any other developer. The Agency will expect receipt of a pre-preliminary proposal, an Owner Participation Agreement (OPA), and an opportunity to review the final design and working drawings. The Post Office intends to lease the land to a developer for development purposes and anticipates a public offering by November 15. It will allow approximately 120 days to receive responses and make a selection of any developer who makes a proposal. Within approximately 90 days thereafter the Post Office will select a developer and request comments from Agency staff regarding qualitative merits of the proposal. Then it will enter into negotiations with a developer. The request for comments from staff is not normally involved in the OPA process. Normally, an owner retains a developer and submits a proposal as part of the pre-preliminary proposal. In this case, however, the Post Office will request comments on the basic proposal before an award is made. Subsequently, it will enter into negotiations with a developer and the normal OPA process is effected. There are some outstanding issues regarding the extent of the Post Office's involvement, since it is a higher governmental entity than the Agency which is a state entity. The Agency will have the prerogative to review the design the same as any other proposals.

Mr. Newman inquired if the moratorium ordinance might affect this project, and Mr. Mark Doane, Senior Attorney, replied that an initial look indicates a negative answer; however, that opinion must be given with the caveat that any such ordinances which may be written in the future must be separately analyzed.

President Lee inquired if the two high rises on Howard Street would have a step up or step down effect on the upper floor. Mr. Cannizzaro responded that staff is evaluating the approximate square feet of space that might be developed. A developer might submit a single tower concept; however, at the present time, staff does not know what a developer might actually submit. When a developer does submit a proposal, staff will have the opportunity to either work with the developer on a design or massing program for the site with which the Commission and staff can agree.

Mr. Newman complimented the Post Office on its cooperative attitude in working with the Redevelopment Agency in this important project.

NEW BUSINESS (continued)

Mr. Sherrick indicated the Post Office considered the project one of its most important and indicated the housing aspect of the project is precedent-setting. He indicated that Agency staff was very cooperative during the numerous meetings and negotiations.

Mr. Grant DeHart, San Francisco Foundation for Architectural Heritage, indicated that his organization has commented on the plan for marketing the Rincon Annex Post Office. He commented on the conditions that should be considered in developing the parcel. The building is a designated City landmark, eligible for the National Historic Register for Historic Places, and one of San Francisco's most important Streamlined Moderne or Art Deco structures. He noted the Postal Service is a Federal entity and the Agency a public one and their cost basis in the project is extremely low. The Postal Service has owned the building for a long time thus any value for the property is directly related to the development program established for this property. The market for new commercial development in housing in this prominent location in San Francisco is almost unlimited. Therefore, as a public agency representing San Franciscans, it should not create a value for another public agency that could be destructive of some very strongly-held public values in architecture and historic preservation. Mr. DeHart indicated Heritage's support of the postal service's plans to market the building for rehabilitation and reuse in accord with the Secretary of Interior's standards for rehabilitation. He commended the intent to preserve the old mural, the exterior walls, and the Postal Service lobby and its continued use. He noted that a proposed two-level addition would cause a disproportionate change in the overall height and bulk of the building; and its appearance from the surrounding buildings and especially the Embarcadero Freeway. He urged that any new additions be limited to one level and offered suggestions on how this could be accomplished. He indicated Heritage would like the opportunity to review the proposal prior to its acceptance.

In reply to Ms. Mary Rogers' (WAPAC) inquiry about the number of housing units, Mr. Cannizzaro indicated 40 percent will be for low and 60 percent for moderate income or 16 units for low and 24 for moderate.

In reply to Ms. Rogers' comments on the OPA, Mr. Kernan replied this process is unusual in that there is a public property owner seeking a developer and the Agency is working with the owner to establish the criteria for selecting a developer. An OPA will not be entered into until after the developer is selected and an agreement on a set of criteria that a developer would abide by is being achieved prior to going through the selection process.

Mr. Kernan indicated staff did a tremendous amount of work in assembling financial information and in working with the Post Office in a mutual education process. Mr. Kernan complimented the Post Office and staff for their efforts and expressed hope in a rapid selection process.

NEW BUSINESS (continued)

In reply to Ms. Blomquist's inquiry about one level on the Rincon Annex, Mr. Cannizzaro stated that 72,000 square feet which can be accommodated in one or two levels is being contemplated. However, there are those who do not want the one level but a two level set back. The Planning Department is interested in the two level step back, Heritage recommends one, and the Landmarks Board has several opinions that range from do nothing to one level to a step back design. The Planning Department has a general policy for step back designs on landmark buildings. The Post Office must work with the National Historical Preservation Office concerning the step back design.

President Lee congratulated both Mr. Cannizzaro and Mr. Sherrick on their fine work.

Mr. Cannizzaro commended David Stoloff, Development Specialist, and Dave Clemente, Post Office, for their involvement in the entire process.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-83 BE ADOPTED.

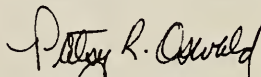
- (f) Resolution No. 288-83, requests authorization for Deputy Executive Director Redmond F. Kernan to travel to Miami Beach, Florida to attend the fall Urban Land Institute (ULI) conference October 27-29. The ULI, which conducts two meetings each year, consists of people involved in the real estate and development field and related activities. The conference will feature development cases illustrating aspects of land use, planning, financing, and development implementation. Mr. Kernan is a regular ULI member as well as a member in the executive group of the ULI's Development Systems and Services Council which will convene a day prior to the conference. The council meeting will feature matters which are of vital concern to Mr. Kernan who is involved with the Agency's development program on a daily basis. The cost to the Agency will not exceed \$2,100.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-83 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

November 22, 1983

JAN 9 1984

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF NOVEMBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of November, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
H. Jesse Arnette
Dian Blomquist
Haig Mardikian
Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Reverend Melvin Johnson, Glad Tidings and Robert Peterson, Attorney for Glad Tidings; Pleasant Carson, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Paul D. Hardeman, Editor of Voice Newspaper; Nat Taylor, Grosvenor; and Leo S. Witte, Morris Phillips, Paul Brady and David Hummel, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of August 2, 1983 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Last week and this week, there have been a number of groundbreaking, ribbon cuttings, and completions of developments in the Western Addition A-2: On Tuesday, October 25 Sutter Park West broke ground with the Mayor as one of the keynote speakers. On Thursday, October 27 Divisadero Heights celebrated its completion with an open house. To complete the week on Friday October 28 the San Francisco State Office Building broke ground with Senator Milton Marks and Assemblyman Willie Brown as key note speakers.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Today St. Francis Place in Yerba Buena Center had their groundbreaking for the largest rental development in the City since the Golden Gateway. The Post Office will be holding an open house this coming weekend, November 4th and 5th from 10 a.m. to 2 p.m. at India Basin.

- (b) There will be no meeting next Tuesday, November 8. The next regular meeting will be held on Tuesday November 15.

NEW BUSINESS

At this time President Lee took item (j) as the first item of business.

- (j) Resolution No. 298-83, recognizes a staff persons 25 years of service to this Agency - Ms. Elsie M. Landry - and expresses appreciation for those years of service. It is requested that the Agency Secretary provide a suitable copy of this Resolution to Ms. Landry commemorating this occasion.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-83 BE ADOPTED.

- (a) Public hearing to hear all persons interested in the transfer of interest in ownership for Parcel 743-D; Western Addition A-2.

President Lee opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 289-83, requests authorization of a change in ownership of Vanguard/Donsdale Associates in connection with the development of Parcel 743-D located on the northwest corner of Turk Street and Van Ness Avenue in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The Agency conveyed this parcel in October 1982 to Vanguard/Donsdale Associates who is constructing an office/commercial building scheduled to be completed in May 1984. Vanguard/Donsdale Associates is a joint venture presently composed of Vanguard Developers, a California partnership, and Donsdale Development California Ltd. (D.D.C.), a California Corporation. Mr. Fred Cadham, president of Donsdale Development Corporation, recently indicated his intention to dissolve the corporation after which he will succeed to the interest of D.D.C. in the venture. This change is technical in nature and will not adversely affect the development; nor, violate the Agency's antispeculation policies. When this is accomplished, the joint venture will be composed of Vanguard Developers, a California partnership and Fred J. Cadham.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-83 BE ADOPTED.

- (b) Resolution No. 290-83, requests authorization of a First Amendatory Agreement to the Land Disposition Agreement with Bushmoor Associates for Parcels 677-B and 677-C(1) located on the east side of Fillmore Street between Bush and Sutter Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. An LDA was authorized in October 1982 for construction of 36 residential condominiums and 7,000 square feet of retail/commercial space on the first parcel as Phase I and an additional 14 condominiums on the second parcel as Phase II. Phase I is under construction, however, evidence of construction financing for Phase II was determined to be insufficient. Therefore, the developer is renegotiating its loan agreement and reissuance of the commitment is anticipated in eight weeks. This Amendatory Agreement will extend the date for close of escrow and conveyance of the site for 90 days from October 17, 1983 to January 18, 1984.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-83 BE ADOPTED.

- (c) Resolution No. 291-83, requests authorization of a Second Amendatory Agreement to the Owner Participation Agreement (OPA) with Van Ness Center Associates, which will extend the time for formation of the general partnership and execution of the OPA and the Amendatory Agreement thereto until December 9, 1983. This is in connection with Parcel 690, lots 13, 14 and 15, bounded by Van Ness Avenue, Hemlock, Franklin and Post Streets in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. An OPA was authorized with Van Ness Center Associates in May 1983, which permitted the owner 120 days to form its general partnership and execute the OPA. The partnership will consist of Chevron Land & Development Company, a corporation, and the Grosvenor Fund, a general partnership, between Grosvenor Properties, Ltd., a corporation and State Savings & Loan Association, a corporation. However, despite diligent efforts, the owner was unable to complete this formation and, upon a request in August of this year was granted additional time in a First Amendatory Agreement until November 7, 1983. The owner now expects the partnership to be formed and the OPA and Amendatory Agreements executed within 30 days.

Ms. Blomquist indicated there had been a change in architects since this item was last before this Commission and wanted an assurance the quality would remain. Mr. Nat Taylor, Van Ness Center Associates, indicated that the building would be of the same quality as originally planned.

Mr. Newman inquired why this Commission should grant an extension

NEW BUSINESS (continued)

and why has it taken so long to put the partnership together and Mr. Taylor indicated this involves a sixty-page partnership agreement with 100 pages of amendments, plus getting three different groups together to agree on everything was not easy, but it is just a matter of days before it is completed.

President Lee inquired as to whether the exterior design will remain the same and Mr. Taylor indicated that they have changed architects and have analyzed the structural implications of the design and found the design shown to the Commission in May had to be modified to eliminate the unnecessary costly structural elements; however, the design is substantially the same. Mr. Hamilton indicated the design is presently under review and staff will schedule a design review session with the Commission.

Ms. Berk indicated she had no problem now, but she wanted to go strongly on record about design and if there are any changes, she needs to be involved.

Mr. Newman indicated his support of Commissioner Berk's comments as this will be one of the largest buildings on Van Ness Avenue and it needs to be given careful review.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-83 BE ADOPTED.

- (d) Resolution No. 292-83, requests authorization of a First Amendatory Agreement which extends the performance schedule, revises the land use section, and removes a condition of sale of the Land Disposition Agreement (LDA) with the Glad Tidings Tabernacle (church) for the sale of the Parcel 733-A located on the easterly side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The Church's proposal to purchase the subject parcel was contingent on the completion of rehabilitation required by the Owner Participation Agreement dated May 1982 for the adjacent property owned by Glad Tidings. Glad Tidings will use this 11,364 square foot parcel for off-street parking and open space which are consistent with the Redevelopment Plan. The Church property adjacent to the subject parcel consists of 1441 Ellis Street, 1475 Ellis Street (Church) and 1360 Eddy Street. Under the OPA requirements, the rehabilitation of the Church has been completed and the demolition of Craig Tower, a structure attached to the Church has been demolished. Another requirement called for 1360 Eddy Street to be rehabed, but this has not been accomplished. Its existing semi-industrial uses of a car wash and automobile body repair are not permitted under the plan and the Church agreed to vacate this building for an interim use for storage. The First Amendatory Agreement revises the LDA to permit conveyance without relocation of the car wash and repair shop; however, the relocation of the shop remains a requirement of the OPA.

NEW BUSINESS (continued)

In March 1983 the Agency adopted a policy regarding nondiscrimination based on sexual orientation. The Agency has added a covenant prohibiting discrimination based on sexual orientation to the existing prohibitions against discrimination in the LDA. Glad Tidings has signed the First Amendatory Agreement today with that language included. Glad Tidings was unable to relocate the car wash and repair shop; therefore, unable to meet the LDA conveyance date in October of this year and has requested an extension to permit conveyance no later than November 18, 1983. It is expected that conveyance will occur by that date and that no reappraisal of the disposition price will be required.

The following persons indicated their support of this item: Reverend Melvin T. Johnson, Glad Tidings Church; Mr. Raul Brady; Ms. Mary Rogers and Pleasant Carson, WAPAC; Mr. Robert Peterson, Glad Tidings Attorney.

The following persons indicated their non-support of this item: Mr. David Hummel; and Mr. Paul Hardeman, The Voice.

Ms. Blomquist inquired if the non-discrimination clause will be "nit-picked" to where it will have no validity or will the Agency treat it as sacred as the affirmative action clause. Mr. Hamilton responded that as a matter of policy the non-discrimination clause will be applied as vigorously and as diligently as all other provisions of the Agency's contracts for sale of land. However, he did not believe that was at issue, but that two specific incidents raised by Mr. Hardeman are two agreements that do not include that language. One is with the Catholic Church for the sale of land on Ellis Street and the question there is whether the Agency should or could apply the nondiscrimination language retroactively to this agreement. The other is the Agreement with Glad Tidings that now includes the nondiscrimination language, but until there is a specific violation, there is not an issue.

Mr. Leo Borregard, Agency General Counsel, indicated as a point of personnel privilege he would like to state his concern that because of Mr. Hardeman's unsupported allegations, this Commission may assume the Agency is dragging its heels; that is not the case. When the first opportunity presented itself to impose sexual orientation as a non-discrimination provision in our legal documents, the Agency has done that. This was also done in the existing lease for the parking lot with Glad Tidings because staff felt the lease was an ongoing document which was on a 30-day termination clause, and since that is, in essence, a renewable document, that it should be done. And it was done. With respect to the retroactive application of a statute such as the one adopted, in his judgment, it spoke only prospectively, even though the wish might be that it spoke retroactively. The decision to proceed with non-discrimination (sexual-orientation) is a statutory one. It was not an expression of constitutional policy adopted by the Supreme Court of the State

NEW BUSINESS (continued)

though the Supreme Court can transcend contracts and can actually speak retroactively if it so desires. This is a piece of legislation which in his judgment speaks to the future and as indicated in correspondence to the Commission, staff intends to apply it where appropriate. It is already a part of our standard LDA and it will be applied to any amendments that are required. Mr. Borregard indicated he had not heard anything tonight that would cause him to change his opinion and he is expressing to the Commission his opinion as General Counsel for this Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-83 BE ADOPTED.

- (e) Resolution No. 293-83, requests authorization of a rental agreement with Metropolitan Parking Corp. for the parcel at the northeast corner of Third and Mission Streets in Yerba Buena Center.

Mr. Hamilton reported on item (e) as follows. This parcel will be used as a parking lot and is the cleared portion of the site described as East Block-1, which will be offered for the development of an office building in the future. The interim use of this parcel as a parking lot will not only provide more off-street parking, but will enhance the appearance of the area and provide additional revenue to the Agency. The operator will be required to make several site improvements and to document the total cost of those improvements so that if tenancy is terminated for the purpose of new construction in less than a year, the operator will be reimbursed for a prorated share of the improvements. Of the twelve bid packages picked up, four firms submitted bids of which Metropolitan Parking Corporation's was the highest at \$8,451.76. This firm is successfully operating other parking lots in YBC and is expected to occupy this particular lot this month.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-83 BE ADOPTED.

- (f) Resolution No. 294-83, requests authorization of exclusive negotiations until January 4, 1984 with R. & J. Futuristic, Inc., for Site S-3 bounded by Whitney Young Circle, Cashmere Street, La Salle Avenue, and Site S-4 in Hunters Point.

Mr. Hamilton reported on item (f) as follows. R. & J. Futuristic, Inc. composed of Mr. James Stratten, Dr. Rhody McCoy, Sr., and Mr. Rhody McCoy, Jr., is also the developer of Sites S-1 and S-2, which will yield 67 single-family homes. Construction of those sites is well underway and the developer expects to use substantially the same development team to develop Site S-3. The selling prices will range from \$125,000 to \$135,000 for the proposed three-bedroom, two-bath homes. Since the development was included in an Agency Offering prior to the April 25, 1979 transaction date in the Mortgage Subsidy Bond Tax Act of 1980 (known as the Ullman Bill) and the public offering included provisions for the use of

NEW BUSINESS (continued)

tax-free mortgage bond financing, staff feels that this development may be "transitioned" therefore subject to the old Federal rules for tax-exempt bonds, which are less restrictive than the current rules. The developer feels the development would be infeasible in today's market without the use of the bonds for permanent financing. During the exclusive negotiations period, staff will assist in submitting documentation to Agency Bond Counsel supporting the developer's eligibility for SB-99 financing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-83 BE ADOPTED.

- (g) Resolution No. 295-83, requests authorization to delete the position of Deputy Controller as a check co-signer of the Agency's 22 checking accounts and replace the position with that of Controller.

Mr. Hamilton reported on item (g) as follows. Staff established three co-signers from the Fiscal Division and three from outside that division to have adequate check co-signers available when required and to maintain a procedure of internal control. Each check requires the signature of one Fiscal and one non-Fiscal person. The addition of Controller as check co-signer will fill a void which will be created by the imminent retirement of the Deputy Controller. The Deputy Executive Director or the Deputy Executive Director of Community Services or the Assistant Agency General Counsel jointly with either the Deputy Executive Director of Finance and Administration or the Controller or the Principal Accountant would then be authorized to sign checks.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-83 BE ADOPTED.

- (h) Resolution No. 296-83, requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, and James H. Wilson, Area Director, Hunters Point/India Basin Project, to travel to Sacramento, California to attend the NAHRO/PSWRC to Annual Fall Workshop November 13-15, 1983.

Mr. Hamilton reported on item (h) as follows. Meetings of the PSWRC Standing Committees and the quarterly Executive Board meeting will be held concurrently with the conference. Mr. Wilson will attend as a member of the Regional Professional Development Committee, and Mrs. Sause as a member of both the PSWRC Board and 1983 Regional Workshop Program Committee. The conference will include many sessions which will be of great significance and benefit to the Agency's program; therefore, it is appropriate for these two staff members to attend the conference. The total cost to the Agency will not exceed \$600.00.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-83 BE ADOPTED.

NEW BUSINESS (continued)

- (i) Resolution No. 297-83, commends and expresses its appreciation to Dian Blomquist for her service upon the occasion of her departure as a Commissioner of the Redevelopment Agency.

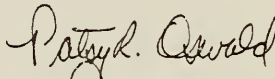
At this time Ms. Berk read the resolution into the record and President Lee and Commissioner King expressed their appreciation of Ms. Blomquist's service to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-83 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

December 20, 1983

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF NOVEMBER, 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of November, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
H. Jesse Arnelle
Charlotte Berk
Anne Halsted
Haig Mardikian
Walter S. Newman

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and the following was absent:

Leroy King, Vice President

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Anthony Morris, Bay View Hunters Point Joint Housing Committee (BVHPJHC); Ocie Mae Rogers, Joint Housing Committee (JHC); Theresa McGovern, Local 535 S.E.I.U.; and Bob Reece and Arnold Townsend, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of August 16, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of October 4, 1983, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of November 1, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Lee reported to the Commissioners on the following matter.

- (a) Ms. Anne Halsted had been sworn in by the Mayor as the new Redevelopment Agency Commissioner last Tuesday, November 8 and tonight is her first meeting, and he welcomed her aboard.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is at a hearing this afternoon at the Planning, Housing, and Development Committee of the Board of Supervisors.
- (b) A preview party is being held by the developers Russell & Telischak for their condominiums on November 17 from 4 to 6 at 785 Golden Gate Avenue.

NEW BUSINESS

- (a) Resolution No. 299-83, requests granting approval for former Western Addition A-2 Assistant Area Director Robert L. Reece to act as a consultant to Roosevelt and Altheda Carrie in connection with the purchase and development of the Parcel located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Resolution No. 200-82, adopted in June 1982 provides in part that prior Agency approval must be obtained before a former employee may act for anyone other than the Agency, regarding a project in which he or she participated personally and substantially as an Agency employee. Mr. Reece personally and substantially participated in the disposition and development of this Parcel and has therefore requested Agency approval prior to his acting on behalf of the Carrie's. The Carrie's interest in development of the subject Parcel dates back to 1979, and they are currently proceeding with rehabilitation of the building on the adjacent Parcel under an LDA dated in 1981. The Disposition Agreement for the parcel was never calendared for Commission approval because of the Carrie's difficulties in obtaining financing and the composition of their development team. They have now requested Mr. Reece's assistance in their efforts, and it is believed this his knowledge and experience will be of great help in overcoming the previous problems. There is nothing to indicate that there is any information Mr. Reece may have that if conveyed to the Carrie's would result in any competitive advantage over other potential developers of the parcel and there is no possibility that his prior involvement was in any way influenced by an expectation that he would subsequently be employed by the Carries. It should also be noted that the proposed relationship between the parties will be limited to consultation and that Mr. Reece will have no ownership interest in the development.

Ms. Halsted indicated the resolution should be amended to include a section that Mr. Reece will have no ownership interest in the subject property.

ADOPTION: IT WAS MOVED BY MS. HALSTED, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-83 BE ADOPTED AS AMENDED TO INCLUDE A SECTION IN THE RESOLUTION THAT MR. ROBERT REECE WILL HAVE NO OWNERSHIP INTEREST IN THE SUBJECT PROPERTY.

NEW BUSINESS (continued)

- (b) Resolution No. 300-83, requests authorization to re-enter into Exclusive Negotiations until January 11, 1984 with The Fillmore Group, Inc., a California Corporation, for the development of the Parcels located in the block bounded by Webster, Fillmore, Eddy and Ellis Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. On May 3 of this year, Exclusive Negotiations were authorized which expired and were re-entered into on July 12, which also expired on October 26, 1983. The Fillmore Group has proposed to develop approximately 125 residential condominium dwelling units, a 1,500 seat dinner theatre, 4 cinemas, approximately 10,000 sq.ft. of commercial space and a 3 story parking structure for 645 parking spaces. The Developer has not been able, despite diligent efforts, to provide satisfactory evidence of the availability of equity capital and mortgage financing. The Developer has requested that Exclusive Negotiations be re-entered into so that it can consider changes in the financing plan and scheduling of performances to improve the assurance of financial commitment offered to date.

Mr. Newman inquired if there were any other persons interested in this property and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated no one else had shown an interest. Mr. Newman inquired if exclusive negotiations were terminated with this group would there be interest shown by others and Mr. Kernan indicated it is only a guess, but it could mitigate interest by others.

Mr. Newman indicated that he felt he could only vote for this extension and then the property should be offered to the public, as it appeared this developer was showing no progress. Mr. Arnold Townsend, Fillmore Group, responded that he felt they had made significant progress. They had submitted an LDA to the Agency and expect to take down a construction loan in January. They have a prospective lender and are just waiting for the Agency's approval.

President Lee inquired who the partner was for this development with Mr. Townsend and Mr. Townsend indicated Mr. A.J. Lirot. President Lee inquired if Mr. Lirot was involved on a daily basis with the project and Mr. Townsend indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-83 BE ADOPTED.

- (c) Resolution No. 301-83, requests authorization of Exclusive Negotiations for 90 days with Lavolia Baker for the Parcel 1102-A located on the west side of Broderick between Ellis and O'Farrell Streets in the Western Addition A-2. Staff is requesting that this item be continued until the meeting of November 29.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (c) would be continued for two weeks to the meeting of November 29, 1983. There being no objection it was so ordered.

NEW BUSINESS (continued)

- (d) Resolution No. 302-83, requests authorization to reject all bids received for Site Improvement Contract No. 38 in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. The subject contract provides for the construction of a retaining wall behind the Agency-owned buildings of this development which are presently supported by an old, substandard retaining wall. Staff has been advised by the Agency's consultants that a new retaining wall is necessary because a failure of the existing wall could result in differential settlement of these rear buildings and the yard. Twelve contractors requested bid documents and two bids were received on October 31, 1983. The low bidder, Ambo Concrete, Inc., at \$77,640.51, failed to acknowledge and sign Addenda Nos. 1 and 2 and attach them to his bid, as required. In addition, Ambo Concrete, Inc. submitted a written statement requesting that they be relieved of award of the contract because they did not take into consideration the two addendas in the bid submitted. It is staff's opinion that the bid of Ambo Concrete, Inc. is not responsive. The second lowest bid of \$112,200 is substantially higher than the Engineer's estimate of \$71,588. Staff believes a readvertisement of this contract could result in more acceptable bids, and will therefore be in the Agency's best interest.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-83 BE ADOPTED.

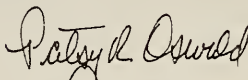
- (e) Resolution No. 303-83, commends and expresses appreciation to Walter Gaby for his service on the occasion of his retirement from the Agency.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-83 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

December 6, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF NOVEMBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of November, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Anne Halsted
Haig Mardikian

and the following was absent:

H. Jesse Annelle
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Lavolia Baker and Pleasant Carson, Jr., Western Addition Project Area Committee (WAPAC); Lyman Jee and Henry Poy, Arcon Pacific.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of October 18, 1983 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisor's has just concluded its hearing on the 1984 Community Development Budget and Program. The matter was first heard in a Joint Committee meeting of Finance and Planning Housing & Development, and then by the full Board last evening, Monday, November 21, 1983. The ultimate action of the Board resulted in an approximate \$750,000 cut in the Agency's budget, principally from the Rincon Point - South Beach project of \$700,000. Other items were recommended by the Budget Analyst of no particular problem. The cut in Rincon Point - South Beach will delay some activities with respect to relocation and improvements on Pier 40, which are

REPORT OF THE EXECUTIVE DIRECTOR (continued)

important and should be done quickly. The Agency will necessarily have to look to budgeting them in subsequent years or alternative sources of funding. Also, in connection with that action, the Board in a separate action resolution on roll call has requested hearings on a review and status on Rincon Point - South Beach, which will occur before Planning Housing and Development of the Board of Supervisors. In speaking to Supervisor Quentin Kopp who chairs that committee, it is his expectation that it will either occur in December or in February because the January calendar is rather crowded. He will inform the Agency early next week. When ever it occurs, staff will be there and this is considered a positive opportunity because there has been a need to make a new current affirmative statement of its appropriateness and necessity to the City.

- (b) The Agency's offices will be closed Thursday, in observance of Thanksgiving, but will be open on Friday the day after.

NEW BUSINESS

- (a) Resolution No. 304-83, expresses the intent of the Agency to issue mortgage revenue bonds or notes in an amount not to exceed 2 million dollars to finance the rehabilitation of 31 residential units and 9,000 sq.ft. commercial space at 1300 Golden Gate Avenue, 1101-1123 Fillmore Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The property is the subject of an LDA authorized on October 4, 1983 with the James Company Limited Partnership. The Developer has secured the commitment of Transamerica Mortgage to provide takeout financing insured by FHA mortgage insurance for the multi-family and commercial rental property. The resultant loan rate is typically 2% under normal market rate for FHA insured loans. The project is feasible with normal equity contribution under these conditions. The Developer is confident that a tax free bond can be privately placed in an amount equal to the maximum FHA insurance commitment, but is prepared if this does not occur to increase this equity contribution as reasonably required to meet debt service from income at the FHA insured mortgage rate for a smaller loan. The Agency's issuance of bonds will enhance the chance for this project's feasible development and operation at FHA allowable rental rates. It is expected this matter will be before the Board of Supervisor's Finance Committee on the 7th of December. It should be noted that this resolution does not legally commit the Agency to providing financing for the developer and if financing is eventually provided, the Agency is not committed by this resolution to any particular terms and conditions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. HALSTED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-83 BE ADOPTED.

- (b) Resolution No. 305-83, requests authorization to tender an offer to

NEW BUSINESS (continued)

purchase the 19.4 acre Navy Road Property which is adjacent to the Hunters Point Redevelopment Project Area, from the General Services Administration for a price not to exceed \$332,500.

Mr. Hamilton reported on item (b) as follows. In 1981 the General Services Administration offered the Navy Road Property at a public sale. Mr. Engle of Triple A Machine Shop was the high bidder for \$550,000 and planned to develop the property for industrial use. Mayor Feinstein protested the sale and requested that the property be sold to the City for housing purposes. Based on this request, GSA rejected all bids. On December 3, 1982, GSA offered to sell the Navy Road Property to the City for the price of \$550,000 after which on December 27, 1982, the Mayor assigned the Redevelopment Agency the task of negotiating and consummating the purchase. Staff undertook economic and planning analyses of the property to determine its value and appropriate use intensity. The land was determined to be suitable for between 180 and 300 dwelling units. A price of \$332,500 has been agreed upon by the Agency and GSA staff to represent a fair value. Mr. Engle has protested the sale which GSA expects the protest to be reviewed by the General Accounting Office by November 25, 1983. GSA believes that the sale will be upheld by the General Accounting Office and indicate that they will be ready to conclude the sale immediately thereafter. The development of this site for housing will complement and strengthen the Hunters Point neighborhood socially and economically and will provide the Agency with opportunities to expand the inventory of affordable housing in the Hunters Point Area.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 305-83 BE ADOPTED.

- (c) Resolution No. 306-83, requests authorization of a Rental Agreement with Tag-Arcon-Pioneer, Ltd. for use of Agency-owned land on the west side of Third Street for the purpose of providing temporary landscaping and placement of sculptural pieces for the Meridien Hotel in the Yerba Buena center.

Mr. Hamilton reported on item (c) as follows. During the construction of the Meridien Hotel this parcel was rented by the Agency to Arcon/Pacific, Ltd. for use as a construction yard. Arcon/Pacific, Ltd. has since vacated the site and has begun to landscape the area under a right of entry. In addition to the landscaping the developer wishes to place sculptural pieces from their art program on this site. In addition, it is desirable to have the area improved to provide an amenable environment for the Meridien Hotel. All improvements will be made by the tenant in accordance with a landscape and art placement plan which will be approved by the Agency staff and will be installed at no cost to the Agency. The Agreement provides for a month-to-month tenancy which requires that the tenant remove the temporary improvements when it is vacated. Since this parcel is part of the area currently under negotiation by the Agency with Olympia and York the final

NEW BUSINESS (continued)

disposition of this parcel is not yet determined. Staff recommends that no rent be charged for this interim use since the balance of the property is not suitable for any other temporary purpose.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-83 BE ADOPTED.

- (d) Resolution No. 307-83, requests authorization to increase the limit of 120 hours of compensatory time that can be taken per year to 240 hours for Mr. Earl Mills to be used for his attendance at Bay Conservation Development Commission (BCDC) and Metropolitan Transportation Commission (MTC) meetings.

Mr. Hamilton reported on item (d) as follows. Mr. Mills has served as the Speaker of the Assembly's appointee to BCDC for more than eight years for which he uses 96 hours per year of his compensatory time. In January of this year, BCDC appointed him to serve as their representative on Metropolitan Transportation Commission for which he is required to use an additional 144 hours per year. Together the two Commissions require use of 240 hours yearly, however, the Personnel Policy only allows use of 120 hours of comp time per year which leaves Mr. Mills with a deficiency of 120 hours for his participation in these commissions. It is important that all employee's time sheets accurately reflect how they spend their work time. However, it is believed that Mr. Mills should not be required to use his vacation time for these public service activities and that the comp time he can use should be increased to 240 hours to be used only for the purpose of his participation on BCDC and MTC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-83 BE ADOPTED.

- (e) Resolution No. 308-83, requests authorization for the Executive Director to approve individual exceptions to the Personnel Policy that limits the amount of vacation time that can be carried forward into a new year to 30 working days (240 hours).

Mr. Hamilton reported on item (e) as follows. Employees with vacation credit in excess of 240 hours at the close of business on December 31 have these excess hours deducted from their vacation account. The purposes of this restriction is to encourage employees to take a vacation and to avoid large accruals of vacation credit which have to be paid at an employee's separation. However, this year the negotiations with Olympia & York and some other work items have put demands on certain staff members that will not permit them use of vacation before the end of the year.

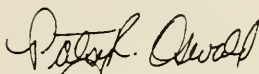
ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-83 BE ADOPTED.

Minutes of a Regular Meeting, November 22, 1983

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

December 13, 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29th DAY OF NOVEMBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of November 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
H. Jesse Arnelle
Charlotte Berk
Anne Halsted
Haig G. Mardikian
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Toby Levine, Sarah Hallan, Citizens Advisory Committee, Rincon Point-South Beach; Brian Fogarty, Pier 42; Garth Casaday, Environmental Science Associates; Ocie Mae Rogers, Joint Housing Committee; Ray Lotto, South Bay; Grant DeHart, Heritage; J. Brent Roberts, Bendix Environmental Resources; Eileen Henriques, Michael Miller, Beideman Area Neighborhood Group; Pleasant Carson, Wade Woods, Western Addition Area Project Committee (WAPAC); Sammie Dukes, Bay Vista Homes; Jean Kortum, Jonathan Malone, Landmarks Preservation Advisory Board; Alexander Chun, Laura Sloan, James M. Pais, Cogswell College; Kay Patchner, Isabel Ugat, K. M. Connell, South of Market Alliance; Bob Passmore, Department of City Planning; Theodore Bayer, representing Nolan Wong; John Neoss, developer; Toby Roseblatt, President, Norm Karasick, Doug Wright, Jerry Klein, Susan Bierman, Planning Commission; and Roy Chew, Francis Frank, Essie Collins, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of September 13, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The City Planning Commission is at this meeting today for a joint meeting regarding the Rincon Point-South Beach Project.
- (b) Eddy Place Associates will be breaking ground this Friday, December 2 at 10 a.m. at 815 Eddy Street.

SPECIAL ORDER

A Joint Meeting with the City Planning Commission and the Redevelopment Agency Commission to consider the Environmental Assessment for the proposed Redevelopment Plan Amendment, Rincon Point-South Beach.

- (a) Resolution No. 309-83 to consider the Environmental Assessment for the proposed Redevelopment Plan Amendment; Rincon Point-South Beach.

President Lee indicated that the purpose of this joint meeting of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission is to consider and evaluate the Environmental Assessment for the Proposed Amendment to the Rincon Point-South Beach Redevelopment Plan. This document was prepared for review by the respective staffs of the Agency and the City's Office of Environmental Review in coordination with their consultants, Environmental Science Associates, Inc. It should be emphasized that the purpose of this joint meeting is to ascertain whether the Environmental Assessment for the Proposed Redevelopment Plan Amendments is an adequate document as required by applicable laws and ordinances; it is not the purpose of this meeting to examine the merits of the proposed Redevelopment Plan Amendments unrelated to environmental considerations.

Mr. Thomas Conrad, Chief of Planning, introduced the document, described the procedures for its preparation and gave a brief overview of the Environmental Assessment.

A discussion took place with both Commissions regarding the Environmental Assessment for the proposed Redevelopment Plan Amendment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 309-83 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the proposed Redevelopment Plan Amendments; Rincon Point-South Beach.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 310-83 requests authorization to forward the Addendum to the Report on the Redevelopment Plan to the Board of Supervisors, Rincon Point-South Beach.

- (c) Resolution No. 311-83 requests authorization to amend the Owner Participation Rules, Rincon Point-South Beach.
- (d) Resolution No. 312-83 requests authorization to amend the Design for Development, Rincon Point-South Beach.
- (e) Resolution No. 313-83 requests approval of the proposed amendments to the Redevelopment Plan and authorizing transmittal of said Amendments to the Board of Supervisors, Rincon Point-South Beach.

SPECIAL ORDER (continued)

- (f) Resolution No. 314-83, requests authorization to forward the proposed amendments to the Redevelopment Plan to the City Planning Commission for its report and recommendation, Rincon Point-South Beach.

Mr. Thomas Conrad introduced items (b) through (f) and gave a brief overview of each item.

The following citizens spoke regarding the Rincon Point-South Beach project: Ms. Toby Levine, Citizens Advisory Committee, Rincon Point-South Beach; Mr. Jonathan Malone, Landmarks Preservation Advisory Board; Mr. Grant DeHart, Heritage Foundation; Ms. Jean Kortum, Landmarks Advisory Board; Ms. Sarah Hallam, Citizens Advisory Committee, Rincon Point-South Beach and Ms. K. M. Connell, South of Market Alliance.

There being no further persons wishing to appear in connection with this matter the President declared the public hearing closed.

A tape recording of these proceedings that includes comments of the public, staff and Commissioners is on file with the Agency Secretary.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 312-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-83 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 314-83 BE ADOPTED.

At this time President Lee called a recess, 5:50 p.m. The meeting reconvened at 6:00 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Resolution No. 301-83 requests authorization of Exclusive Negotiations for 90 days with Lavolia Baker for Parcel 1102-A located on the west side of Broderick between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This item was continued from the meeting of November 15 and is now ready to proceed. In December 1980, Lavolia Baker entered into a Land Disposition Agreement along with Tonopah Construction for this parcel to build a two-unit building containing a three bedroom

UNFINISHED BUSINESS (continued)

townhouse with a studio below. The building was designed, a building permit application was being processed, and Tonopah Construction was to act as the General Contractor. High interest rates made the development infeasible and the LDA was terminated in November 1981. Ms. Baker has asked to reactivate her plans to develop this 1,500 square foot site. Wells Fargo Bank has indicated that they have made an initial review of the development and are interested in providing financing. Tonopah Construction confirms that the architectural drawings they prepared are still available to Ms. Baker.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-83 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement for Parcel 1126-B, Western Addition A-2.

President Lee opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 315-83 requests authorization to execute a Land Disposition Agreement with Ms. Essie Collins for Parcel 1126-B located on the north side of Eddy Street between Broderick and Divisadero Streets, Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. On August 2, 1983, Exclusive Negotiations were authorized with Ms. Collins who proposes to construct 12 market rate residential condominiums selling between \$95,000 and \$150,000. The Site is one of the 12 vacant sites in the Western Addition having less than 10,000 square feet approved by the Commission for negotiated sale. The performance dates in the LDA are to submit evidence of financing in July 1984 and convey the site in September 1984.

There being no persons wishing to appear in connection with this matter the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-83 BE ADOPTED.

- (b) Resolution No. 316-83 requests authorization of Exclusive Negotiations for 90 days with Mr. Nolan Frank for the development of Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets, Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. On September 11, 1980, Exclusive Negotiations were authorized with Mr. Frank to develop 14 market rate residential condominiums and 2,000 square feet of commercial space. Although the design for the development was approved, an LDA was never executed, due to the high interest rates which made the development infeasible. Exclusive Negotiations then expired in June, 1981. Mr. Frank has indicated an

NEW BUSINESS (continued)

interest in renewing his efforts to develop the site using the same design as previously approved. Mr. Frank is gearing the development to meet the guidelines of the City's single family mortgage program. The units would sell for \$114,000 or less.

Mr. Harold Beckston, architect, described the development. President Lee inquired if staff had reviewed the plans and Mr. Edmund Ong, Chief of Architecture, indicated affirmatively.

Ms. Eileen Henriques, Beideman Area Neighborhood Group (BANG), read a letter from Ms. Noni Richen that noted BANG's reaction to Mr. Frank's proposal was generally favorable, but they had some concerns about the esthetics of the project. They wanted to know if Mr. Frank's proposal to have a health club in the commercial area was to circumvent parking, open space or other requirements. They also insisted on input to the condominium by-laws of the development and wanted a definitive commitment from Mr. Frank to plant trees and to landscape and trim the exterior in a manner acceptable to the neighbors. They also wanted to see modification of the commercial parking entrance on Ellis to provide safety from muggings for people who park there. They hoped this development would go forward quickly as this was Mr. Frank's second attempt to build on the site and this site had been vacant too long. They are supporting this project now, but will vigorously protest any attempt of the developer to delay construction.

President Lee inquired if Ms. Henriques concerns had been addressed earlier and Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that the letter Ms. Henriques had just read was hand delivered to him yesterday. He had spoken to Ms. Richen about the concerns that the health club shown in the plan will be deemed to be commercial space. It cannot be used to circumvent the need for open space or parking and there will be no parking variance on the project. Regarding looking over the by-laws, Mr. Suttle indicated he told them they could review it, but would have no veto power, as it was not within his control nor theirs. It was something to be done between the developer and his attorney and prospective purchasers. On the matter of planting trees, landscaping and exterior trim of the building, Mr. Suttle had indicated to Ms. Richen that the Agency would require landscaping and the planting of trees around the project and would be quite willing to bring the landscaping design to BANG for their review. Mr. Suttle noted that when Ms. Richen gave him the letter she indicated they were very pleased with the design of Mr. Frank's building.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-83 BE ADOPTED.

- (c) Resolution No. 317-83 requests authorization of a First Amendatory Agreement to extend the performance schedule to the Land Disposition Agreement with 1325 Divisadero Street, a Limited Partnership for Parcel 1101-B located at 1325-1329 Divisadero Street, Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. A Land Disposition Agreement was approved in June, 1983 for the purchase and rehabilitation of a 16 residential unit building with ground floor commercial space. Following completion of rehabilitation, the Developer will convey the residential units as condominiums to low and moderate income individuals and lease the commercial area to KP00 Radio Station as a permanent facility. The Developer submitted preliminary plans and specifications and a tentative subdivision map to the Agency for approval, however, in comparing the surveyor's tentative subdivision map with the preliminary architectural drawings, the Developer discovered inaccurate dimensions at several critical areas of the building which then necessitated substantial redesign and modifications to the rehabilitation plans. This was not accomplished within the schedule of performance under the LDA and the Developer was placed in default. The Developer has now submitted the required condominium documents and the revised final plans and specifications. However, these documents are not acceptable due to certain required information missing and this First Amendatory Agreement will enable the Developer to complete and submit acceptable final plans and specifications and other LDA requirements. It should be noted that the currently scheduled conveyance date of March 27, 1984 will not be affected by this extension.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-83 BE ADOPTED.

- (d) Resolution No. 318-83 requests authorization to extend the Termination Date of the Disposition Agreement to March 31, 1984 with Bay Vista Homes Limited for the development of the Second Phase for Parcels FF-2, 4-7 through 4-13, 4-15, Z-1 through Z-7, Z-9, Z-10 and Z-13 in the Phase I area of Hunters Point.

Mr. Hamilton reported on item (d) as follows. An LDA was entered into in June, 1981 with Bay Vista Homes Limited to develop fifty-five (55) market rate, residential dwellings on scattered sites in the Phase I area of Hunters Point. Four Amendatory Agreements were entered into to revise the performance schedule. The project is being constructed in two phases wherein 18 units comprise the First Phase and 37 units are in the Second Phase. The parcels for the First Phase were conveyed to the Developer in December, 1981. The Developer has completed six (6) of the 18 Phase I units under an initial advance of construction funds, but was unable to find buyers at a rate that would entitle him to additional construction advances for the remaining 12 units in Phase I or for any construction in Phase Two. Dukes-Dukes and Associates, Inc., who formed Bay Vista Homes, has partly resolved and is working diligently on the resolution of the issues that inhibited the marketability of their housing product. The Developer has redesigned the remaining 12 Phase I units, which may also be constructed in the Second Phase at the project sales price of \$99,500. The Developer has successfully negotiated with the lender to remove constraints regarding the timing within which construction starts could occur, and they have obtained financing to facilitate

NEW BUSINESS (continued)

selling the two remaining units of the six (6) units constructed in Phase 1. These measures give new assurance that the Developer, who was unfortunate in proceeding with an important pioneering development of market rate houses in Hunters Point at a low point in the market will be able to successfully complete this development.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-83 BE ADOPTED.

- (e) Resolution No. 319-83 requests authorization to accept a Pre-Preliminary Development Proposal submitted by Bunje Dowse Company for the property located on the northerly side of Howard Street between Steuart Street and the Embarcadero, Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. The subject property is owned by Claude L. Witbeck who has indicated his desire to be an owner participant. Mr. Witbeck entered into an option agreement with the Bunje Dowse Company and on September 22, 1983, the Bunje Dowse Company submitted a Pre-Preliminary Development Proposal to the Agency. The proposal involves the development of a new 90,720 square foot commercial building on a 13,146 square foot parcel of land which will also include parking for 28 cars in a basement level. The total cost of the project is estimated to be \$16.7 million. The developer also proposes to devote 1% of the construction budget to public art and to landscape the adjacent Cal Trans parcel if that becomes available. The project is in conformance with all applicable height, land use and other development requirements of the Redevelopment Plan and Design for Development. Staff finds the project economically feasible, of superior design quality and believes the Bunje Dowse Company has the capability to carry out the project. The Rincon Point-South Beach Citizens Advisory Committee has reviewed the proposal and found the project of great merit and were unanimous in their recommendation that the Agency accept the proposal. The Planning Department staff has reviewed modifications in the design and finds the design concept acceptable.

Mr. Newman inquired if this site was always on the Redevelopment Plan as an office building and Mr. Hamilton indicated as a permitted use, yes.

President Lee indicated that maybe it would be advantageous to tone down the exterior color and Mr. Edmund Ong, Chief of Architecture, indicated the original intent was to try and pick a color that would match the existing Y Building, but they do not know what the material is at this time, it will be determined at the next phase of design. It is difficult to match an existing building in terms of color and since the building will be a different material it will appear differently in any event. It has been suggested to the architect that it may be better to find a color compatible and harmonious with the color of the Y Building, but to not try and exactly match the color of that building. President Lee inquired if the final approval of the exterior design would come back before the Commission and Mr. Ong indicated affirmatively.

NEW BUSINESS (continued)

Ms. Halsted inquired when the Commission would see the next stage and Mr. John Russ, Architect, indicated they expected to be back in three months for the preliminary plan approval.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 319-83 BE ADOPTED.

- (f) Resolution No. 320-83 requests authorization to purchase a fireproof safe to store computer files from the low bidder Warman Safe of San Francisco in an amount not to exceed \$2,391, which includes delivery and installation.

Mr. Hamilton reported on item (f) as follows. Since the memo was sent out the Fiscal Division has received three bids from distributors with Warman Safe of San Francisco as the lowest bidder. Currently, disk drives for the Agency's IBM System 38 computer are stored in the Computer Room, the 4th Floor Conference Room and at an outside storage facility at Bekins. It has been determined that none of these areas are fireproof, and with the proposed increase in the number and types of applications to be computerized, safeguarding these vital records becomes more crucial. The fireproof safe will be located in the office of the Systems and Procedures Supervisor and this will eliminate the need to store these files at Bekins and in the 4th Floor Conference Room.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 320-83 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Theodore Bayer, an Attorney representing Nolan Wong, who has Exclusive Negotiating rights for Parcel 708-B (2) in the Fillmore Center, Western Addition A-2, made a presentation to the Commission regarding the appraisal for the property and requested that the Commission instruct staff to reconsider the price of the land as he believed it had been appraised too high.

Mr. Wade Woods, WAPAC, also indicated the appraisal should be reconsidered.

Mr. Hamilton noted that he had examined all issues and had met with Mr. Bayer and indicated that the Agency has set a price for the parcel based on an appraisal for the highest and best use. The appraisal used was the lowest of two appraisals taken. This Agency has never negotiated the value of land and he believed the Agency should not deviate from that policy. If they reduced the price of the property it would constitute a gift of public funds. Mr. Hamilton also noted that Mr. Wong had offered one half of the appraisal price.

President Lee indicated the Commission would take Mr. Bayer's request under submission.

Minutes of a Regular Meeting, November 29, 1983

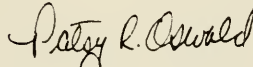
MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Newman indicated he personally did not feel inclined to take this under submission as this is a key parcel in the Fillmore Center and also prime because it fronts on Fillmore Street.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Newman and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

February 28, 1984

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF DECEMBER 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of December, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
H. Jesse Arnette
Charlotte Berk
Anne Halsted
Haig Mardikian
Walter S. Newman

and the following was absent:

Leroy King, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Anthony Morris, Ocie Mae Rogers, Bayview Hunters Point Joint Housing Committee (BVHPJHC); Curtis Jones, Liberation House; Wade Woods, Pleasant Carson, Lavolia Baker, Western Addition Project Area Committee (WAPAC); Eileen Henriques, Beideman Area Neighborhood Group (BANG); Alan Wofsy, Alan Wofsy and Associates.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Arnette, and unanimously carried that the minutes of the regular meeting of November 15, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Ms. Roslyn Baltimore developer of Eddy Street Associates had a successful groundbreaking last Friday, December 2 for her new office building on Eddy Street between Van Ness and Franklin. Commissioner King and Supervisors Kennedy, Silver and Renne were in attendance.
- (b) This week has been the San Francisco Ballet's Inaugural Week to celebrate their new home in the Performing Arts Center at 455 Franklin Street. Yesterday the Mayor performed the ribbon cutting ceremonies and tours and receptions are continuing this week.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) Tomorrow night Friends of Walt Gaby will be celebrating his retirement from the Agency starting at 6:30 at the St. Francis Yacht Club.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Assignment of Interest in Disposition of Land Agreement for Parcel 714-A(1); Western Addition A-2.

President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 321-83, requests authorization to Assign the Interest in the LDA with Alan Wofsy & Associates, to Emeric-Goodman Associates for the Parcel located on the south side of Geary Boulevard between Van Ness Avenue and Franklin Street, the Goodman Building, Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The LDA was authorized in December, 1978, which also included the Myrtle Street Flats but that is not part of this assignment, provides that the parcels will be purchased and rehabilitated by a limited partnership entity to be formed at a later date subject to the approval of the Agency. Alan Wofsy will be the sole general partner of the proposed new partnership. There will be no monetary consideration payable by the new partnership to Alan Wofsy & Associates at the time of the assignment and transfer or until issuance by the Agency of its Certificate of Completion of Improvements.

There being no persons wishing to appear regarding this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 321-83 BE ADOPTED.

- (b) Resolution No. 322-83, requests authorization of a First Amendatory Agreement to the LDA for rehabilitation with James J. Doherty for the Parcel located at 1329 Pierce Street, Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. In May 1983, Mr. Doherty entered into an LDA for the purchase and rehabilitation of a seven unit residential building comprised of six one-bedroom and one two-bedroom units. Following completion of the rehabilitation work, the Developer will convey the units as condominiums to low and moderate income individuals and families with preference given to the Agency's Certificate of Preference Holders. The Developer has submitted and obtained staff approval of the final plans, specifications, contractor's bid for the rehabilitation work and a permanent take-out financing commitment of \$462,500 through a State-wide Tax Exempt, Single Family Bond Issue. Construction

NEW BUSINESS (continued)

financing has been obtained through the Bank of America. In October of this year the Agency submitted to the City's Bureau of Surveys and Mapping Department the Tentative Subdivision Map for their review and approval anticipating a six-week approval period. However, at this time, no such approval has been obtained although indications are that this will be forthcoming within the next four to eight weeks. This extension would allow the additional time necessary to complete the subdivision process and to Convey the site by February 7, 1984.

Ms. Berk inquired as to what exactly is a State-wide Tax Exempt, Single Family Bond Issue and Ms. Darby Nelson, Rehabilitation Division, indicated the State issues Mortgage Revenue Bonds like the ones the Agency issues and they make it available to developers throughout the State. Mr. Doherty applied under the program they have available to purchasers of single family homes.

Ms. Berk inquired if any other developer had taken advantage of this program and Ms. Nelson indicated no this is the first one.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 322-83 BE ADOPTED.

- (c) Resolution No. 323-83, requests authorization of a First Amendatory Agreement which would extend the conveyance date to January 17, 1984, in the LDA for rehabilitation with Liberation House for the Parcel located at 1724-28 Steiner Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In June 1983, an LDA was authorized with Liberation House who proposes to use the building as a facility for its alcohol recovery and rehabilitation program. The Developer has submitted and obtained Agency approval of rehabilitation plans and specifications which provide for the rehabilitation of the third floor of the building since the first and second floors have already been brought up to City codes. A bid has been obtained from a licensed general contractor for specific portions of rehabilitation work consisting mainly of materials required for the rehabilitation work and the other portions of the work will consist mainly of volunteer labor to be supplied by Liberation House residents under the general contractor's supervision. The Liberation House residents, during their tenancy of the building, satisfactorily accomplished the considerable amount of work required to bring the first two floors up to City building codes. Staff has determined that this contractual arrangement to complete the work is acceptable. Satisfactory evidence of financing based on this arrangement has also been submitted. Conveyance is scheduled for today, December 6, but was contingent upon the Developer having obtained a building permit which has yet to be issued. The building permit application was submitted on November 3, 1983 but has involved a longer process than usual due to the change of occupancy. It is anticipated that an additional

NEW BUSINESS (continued)

period of 3-6 weeks may be required to obtain the necessary seismic, health and handicap reviews and final approvals from the City. Therefore, an extension to January 17, 1984 to convey the site is recommended.

President Lee inquired what the change in occupancy is and Ms. Judy Eng, Rehabilitation Division, indicated the change is from and H occupancy, which is three residential units to that of institutional use.

President Lee inquired about the seismic requirements and requested Ms. Eng double check those requirements as they are very expensive and Ms. Eng indicated she believed they were City requirements, but would double check.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. HALSTED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 323-83 BE ADOPTED.

- (d) Resolution No. 324-83, requests authorization to further amend Resolution No. 217-83 concerning the Agency's Yerba Buena Center Redevelopment Project Liquidity Facility Revenue Bonds, Series 1983.

Mr. Hamilton reported on item (d) as follows. On August 2, 1983, Resolution No. 217-83 was adopted and amended on August 10 and August 16, 1983 to provide the issuance, sale and delivery of Liquidity Facility Revenue Bonds in the principal amount of \$28,000,000 to provide funds to purchase the GSA Site and to repay the balance of the HUD loan in connection with the Yerba Buena Center Project. The Agency has applied for a rating on these Bonds to Moody's Investor Service, Inc. and has been informed by them that it is necessary to make certain minor additions to the Bond Resolution before such a rating can be given. The amendment requested by Moody's will add the following Agency covenants: That any drawings under the Letter of Credit issued by Bank of America to secure the Bonds will only be invested by our Fiscal Agency in certain government securities; that the Agency notify Moody's upon any termination or expiration of the Letter of Credit; and that when the Agency discharges the Bonds, the funds with which we do so will have been held by the Fiscal Agency for a period sufficient to protect such monies from any claims of preference in bankruptcy. The amendment has been prepared by Bond Counsel, approved by the Bank of America, and is consistent with the Agency's intentions in connection with the issuance of the Bonds.

Mr. Newman inquired what the Bond rating is and Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated they are trying for an AAA rating but did not know yet.

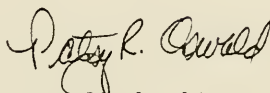
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-83 BE ADOPTED.

Minutes of a Regular Meeting, December 6, 1983

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Halsted, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

December 20, 1983

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13/23

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF DECEMBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of December, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Anne Halsted
Haig Mardikian
Charlotte Berk
Walter S. Newman

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Harold Bexton, Bexton Associates; Dawn Atkinson, League of Women Voters; Ocie Mae Rogers, Anthony Morris, Joint Housing Committee; Edward Hope, G. Griffith Lindsay, Marriott Corporation; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Sarah Wally, The Sprincin Co.; Lavera Gillispie, HUD; Roosevelt Carrie, Carrie Insurance; Robert Davis, Jim San Jule, Tony Taylor, Fillmore Associates; and Mervyn J. Goodman and Revels Cayton, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of November 22, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Next Tuesday, December 20, the Board of Supervisors' Planning Housing and Development Committee will be holding a hearing to consider the Rincon Point-South Beach Redevelopment Plan. The meeting begins at 2:00 in Room 228 City Hall and staff will be covering this item.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The Agency's Christmas Party this year will be held on Wednesday, December 21 starting at 5:30 p.m. at the St. Francis Yacht Club.

NEW BUSINESS

- (a) Resolution 325-83, requests authorization to Exclusive Negotiations to April 11, 1984 with Fillmore Associates, for the Parcel located on the Southwest corner of Fillmore and O'Farrell Streets; Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Fillmore Associates proposes to develop approximately 22,000 sq. ft. of ground floor retail commercial space, 120 market rate residential condominiums, 2,700 sq. ft. of space for community facilities. This parcel, fronting on Fillmore Street, is one of the residential/commercial sites established in the Fillmore Center Design for Development prepared by Jenkins/Fleming and it was approved for sale on a negotiated basis to community based developers where possible. Fillmore Associates, a community based developer, will consist of three officers who will be actively involved in this development effort. Mr. Tony Taylor, the President and a long time resident of San Francisco and the Western Addition, has primary experience in residential rehabilitation. Mr. Robert Davis, the Vice President, has had substantial experience in construction supervision of residential rehabilitation. Mr. James San Jule, the Secretary/Treasurer and Project Manager, has served as a housing consultant and developer for over 20 years. The Developer has engaged Bexton Associates, San Francisco architects, to provide the schematic design of the development and Agency Architectural staff has been consulted during the initial conceptual development of the design.

The following persons spoke in favor of this development: Ms. Lavera Gillispie, Regional Director for Fair Housing at HUD; Mr. Roosevelt Carrie, Carrie Insurance; Mr. Harold Bexton, Architect; Mr. Revels Cayton; and Mr. Robert Davis, Fillmore Associates.

Ms. Halsted inquired what the expected sales prices of the condominiums would be and Mr. Jim San Jule, Fillmore Associates, indicated the numbers were not known yet.

President Lee inquired if the construction cost and condominium price ranges would be worked out during the 120-day exclusive negotiating period and Mr. San Jule indicated affirmatively and also that they were working closely with people who have money and hoped to come up with an ingenious way to finance the development.

Mr. Newman inquired if any other developers had expressed an interest in this property and Mr. Hamilton indicated no. Mr. Newman inquired if the property had been advertised and Mr. Hamilton indicated no, that this property was negotiated.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 325-83 BE ADOPTED.

NEW BUSINESS

- (b) Resolution No. 326-83, requests authorization to grant Olympia & York Equity Corporation/Marriott Corporation/Willis a 180 day right of entry to the formerly owned GSA property at 49 Fourth Street and an adjacent 10,000 square foot parcel in the Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. The entry will permit access to the property for the purpose of demolishing the buildings and clearing the property. This property was included in the Yerba Buena Center Redevelopment Plan Amendment adopted in November 1981, and the property was designated for acquisition and clearance. The adjacent parcel will be used by the demolition contractor for his equipment and related activities. Olympia & York will pay for the demolition and clearance as well as reimburse the Agency for lost parking revenues for the period of entry. It is the Agency's intent to also take into account the demolition costs in the Disposition and Development Agreement, which is now under negotiation. Marriott Corporation took competitive bids from a number of qualified demolition contractors and the low bidder was Arcns Building Wrecking Company. The contractor will comply with the Agency's affirmative action program and prevailing wage requirements.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 326-83 BE ADOPTED.

At this time, President Lee announced that the meeting would be recessed to the fourth floor conference room for Item 9(c), the Workshop. The meeting recessed at 4:30 p.m.

The meeting reconvened in the fourth floor conference room at 4:45 p.m. with the same roll call.

- (c) Workshop on development proposals received for Offering No. 23, Parcel 714-A(2) located at the Northwest corner of Myrtle Street and Van Ness Avenue, Western Addition A-2.

Mr. Hamilton indicated the purpose of this workshop is to present those development proposals which have been received and to understand all the issues relating to those proposals. Five proposals were received and they will be reviewed against the criteria of the offering brochure by Mr. Thomas Ma of the Agency's Architectural Division and Mr. Byron Rhett with respect to Business Development and Real Estate Concerns.

NEW BUSINESS (continued)

Mr. Mervyn Goodman indicated he has a case against the Agency regarding this property and it would be wise if any action on these proposals be withheld until the case goes to court.


Mr. Leo Borregard, Agency General Counsel, indicated there is no legal impediment in offering this property.

Mr. Thomas Ma, Architectural Division and Mr. Byron Rhett of the Real Estate Division presented the proposals from the following developers: United Bank, Morris Bernstein and Donald Sweet; Donald Flynn; John Russell; San Francisco Development Company and Charles Sprincin.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Halsted and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

January 17, 1984

FEB 8 1984

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF DECEMBER 1983

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of December, 1983, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, President
Leroy King, Vice President
Charlotte Berk
Haig Mardikian
Walter S. Newman

and the following was absent:

H. Jesse Arnelle - arrived at 4:20 p.m.
Anne Halsted

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Anthony Morris, Jose Ralphs, Charles Ryan, Willie Beasley and Allen Jordan, Joint Housing Committee (JHC); Mary Helen Rogers, Pleasant Carson, Western Addition Project Area Committee (WAPAC); Noni Richen, Eileen Henriques, Bay Area Neighborhood Group (B.A.N.G.); William Barker and A.L. Kennard, S.O.C.A.; Ted Steefel, Steefel Levitt & Weise; Roni Rotholz, Pita Shop; and Ron Lieberman, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of November 1, 1983 as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of December 6, 1983, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is attending the Board of Supervisors' Planning, Housing and Development Committee hearing on the Rincon Point - South Beach Redevelopment Project at this time and may join the meeting at a later time.

REPORT OF EXECUTIVE DIRECTOR (continued)

- (b) WAPAC held their election of officers on December 15 and Mr. Gilbert Pope is the new President and Janice Picou is the Vice President.
- (c) The Regular Meeting of the Redevelopment Agency for December 27 will not be held.

Mr. Arnette arrived at this time, 4:20 p.m.

NEW BUSINESS

- (a) Resolution No. 327-83, requests authorization of a Second Amendatory Agreement to the Addendum with the Nihonmachi Community Development Corporation (NCDC) as transferred and assigned to the Urban Land Company for the development of Parcel 686-H(2) located on the south side of Sutter Street, between Laguna and Buchanan Streets; Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This parcel was one of the sites in the Nihonmachi Master Plan designated for common commercial parking to afford each developer the opportunity to have the maximum amount of commercial space on individual commercial lots. Because some developers opted to accommodate parking on their individual lots the number of spaces required in this common parking lot was substantially reduced. The Nihonmachi Corporation, with Agency approval decided to change the use of a portion of the lot to residential which was created and allocated to the Urban Land Company for construction of five units of housing. In connection with the proposed development of this parcel as a parking lot, eight abutting property owners were granted easements for ingress and egress but in order to construct housing on the new site, these easements must be removed. The process of removing the easements from the record has taken longer than anticipated. Releases must be obtained not only from the owners of the easements but also any lenders with liens on the eight abutting properties. Staff is confident that the easements can be removed within three months, which would extend the conveyance date from December 21, 1983 to March 21, 1984.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 327-83 BE ADOPTED.

- (b) Resolution No. 328-83, requests authorization of a Second Amendatory Agreement to the Land Disposition Agreement with Mrs. Irene Lieberman for Parcel 689-B located on the northeast corner of Gough and Post Streets; Western Addition A-2.

Mr. Kernan reported on item (b) as follows. An LDA was approved in December of 1982 with Mrs. Lieberman to develop a park for use of the elderly residents of the adjacent Broadmoor hotel. The park will have a series of sitting areas and for security purposes will be raised above the sidewalk approximately 10 feet. The Developer and the Bureau of Building Inspections (BBI) disagreed about the occupancy classification of the park based on the San Francisco Building Code, which has delayed the securing of a building permit.

NEW BUSINESS (continued)

In that regard, Mrs. Lieberman petitioned for a hearing before the Board of Examiners, but they disagreed with the Developer so the entrances and exits of the park were redesigned based on BBI's interpretation. The redesign has been completed and submitted for permit approval. Mrs. Lieberman is requesting an extension of the conveyance date from December 21 to March 21, 1984 to secure the permit as modified.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 328-83 BE ADOPTED.

- (c) Resolution No. 329-83, requests authorization to award Site Clearance Contract No. 81 with Allstate Excavation and Demolition in the amount of \$10,400; Western Addition A-2.

Mr. Kernan reported on item (c) as follows. This Contract will provide for the removal of underground fuel and oil storage tanks located in the sidewalk area at the southwest corner of Sutter and Laguna Streets. The property adjacent to this sidewalk is currently under development by the Soto Mission of San Francisco, as the site of their new mission. It is scheduled to be completed in March, 1984. The removal of these underground tanks is required by the San Francisco Fire Department before the Certificate of Final Completion and Occupancy can be issued. Four bids were submitted with Allstate Excavating and Demolition, Inc. as the lowest bidder. Their bid is 2.7 percent above the Engineer's estimate. Staff considers their lump sum reasonable and believes that rebidding the contract may not produce a more favorable bid. Allstate Excavating and Demolition is a minority-owned firm that has satisfactorily performed work for the Agency in the Hunters Point and Yerba Buena Center Projects. Allstate's Affirmative Action and Safety Programs have been reviewed and both programs were found to be satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 329-83 BE ADOPTED.

- (d) Resolution No. 330-83, requests authorization to award Site Improvement Contract No. 38R to Valentine Corporation in the amount of \$83,969; Western Addition A-2.

Mr. Kernan reported on item (d) as follows. This contract provides for the construction of a retaining wall behind Agency-owned buildings at Endicott Court, 1939-65 O'Farrell Street, which is presently being supported by an old, substandard retaining wall. This contract was previously bid as Site Improvement Contract No. 38 in October. However, Ambo Concrete, Inc., the low bidder, failed to submit a complete package and the second low bidder was substantially higher than the Engineer's estimate. Five bids were received with Valentine Corporation as the low bidder. While the low bid is 17% higher than the Engineer's estimate of \$71,588, it seems to indicate a realistic cost of the work. Staff has reviewed the low bidder's Affirmative Action and Safety programs and they have been found satisfactory.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 330-83 BE ADOPTED.

- (e) Resolution No. 331-83, requests authorization of Rehabilitation Offering No. 23 for the buildings located at 1353-1367 Eddy Street; Western Addition A-2.

Mr. Kernan reported on item (e) as follows. On four separate occasions in 1982, the Agency entered into and extended negotiations with Catalyst Financial Corporation who proposed rehabilitation of the subject properties, plus 1985 Ellis Street in order to obtain a number of extra "bonus" units for a proposed new residential development on property it owned at the southeast corner of Post and Gough Streets. Catalyst's exclusive rights to this offering and 1985 Ellis have long expired and staff believes it is time to offer the buildings to accomplish the rehabilitation. The offering will establish a list of certificate holders and non-certificate holders. Each to be ranked by the price the respondent is willing to pay provided it is equal to or exceeds the minimum disposition price. Selection of prospective developers will be based on the highest response received in each preference category. All responses are planned to be received by mid-March 1984 and evaluations completed by mid-April 1984. Commission approval of exclusive negotiations will subsequently be sought. Authorization to expend an amount not to exceed \$4,000 is also requested for placement of advertising to ensure necessary market exposure, required notification of availability, and mailing flyers to certificate holders and those on the Agency's rehabilitation mailing lists. It is expected a portion of the reproduction and printing costs of brochures and developers packets will be recovered from the sale of the developer's packets.

Ms. Noni Richen and Ms. Eileen Henriquez, Beideman Area Neighborhood Group (BANG), indicated their opposition to having the 1985 Ellis Street building removed from Offering No. 23 and requested the Commission continue item (e) until that building is returned to the Offering. They indicated concern about the building's dilapidated condition and the squatters and drug addicts it attracts. They also noted KPOO's interest and attempt to enter into exclusive negotiations for the building with the Agency without going through the offering process. In addition, KPOO has had a building for over a year on Divisadero Street whose windows remain boarded.

Ms. Mary Rogers, WAPAC, indicated her support of staff's recommendation and inquired if the Commission would be rescinding the previous action taken on these buildings and the agreement with Catalyst regarding the property in the Western Addition A-1.

Mr. Kernan indicated that Catalyst had proposed a residential structure and was being allowed a bonus of additional units in that structure for the units they would rehabilitate in the Western Addition A-2. However, Catalyst was unable to rehabilitate those units thus those units were being recommended for reoffering. A bonus could also be earned by developing housing in other parts of the City for low-to-moderate income people and could be applied to

NEW BUSINESS (continued)

the bonus in A-1. However, Catalyst has a current proposal for an office building rather than residential; therefore, a bonus is not required.

Mr. Arnelle indicated that over a period of time, it is difficult to remember who the developers are and requested that names of development participants be disclosed when staff names a developer, and Mr. Kernan indicated that staff would endeavor to comply.

Ms. Berk indicated an assumption that since Catalyst did not proceed with the Agreement, Catalyst or anyone else wishing to reinstate an Agreement must return to the Commission and Mr. Kernan responded affirmatively.

Mr. Newman inquired about the removal of 1985 Ellis from the offering, and Mr. Kernan indicated that the Agency has a desire, to the extent it can, to accommodate community developers within the area who would work with the tenants rather than offer the building.

President Lee inquired about the number of tenants and units in the building, and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated six or seven tenants and 12 units. When Catalyst obtained the rights to rehabilitate the building, the Commission directed staff to discuss the possibility of sweat equity with the tenants. However, since Catalyst is not moving forward, staff recommended reserving 1985 Ellis in order to proceed with the Commission's directive and the intent of WAPAC and the tenants for the tenants to come forward with a proposal which would allow the tenants to remain in the building after rehabilitation. There have been three expressions of interest in the building. One was from Joe Rudolph, representing the tenants. Ms. Richen and Ms. Henriquez have incorrectly indicated that this was KPOO. They have also indicated that KPOO has done nothing to its building on Divisadero Street, however, KPOO is in fact performing on schedule with the exception of the working drawings.

Mr. Orville Luster and Mr. Doherty, a former owner, were the other two interested parties.

Mr. Lee inquired about the schedule of the proposals, and Mr. Suttle indicated that he anticipated evaluation of the proposals before the next group of buildings were authorized to be offered to the public. He believed that would occur in April or May. Mr. Mardikian inquired about the steps being taken by staff to combat comments regarding drug dealing and other inappropriate activities on Agency-owned property. Mr. Suttle indicated that a tenant was appointed resident manager since all tenants, who have regular contact with the Agency's Property Management Division, were concerned with the occurrences in the building. In addition, a roving manager periodically monitors the building. After discussions with the tenants, a decision was reached to replace the glass doors, although unsightly, with plywood. Mr. Mardikian inquired in the plywood could be painted, and Mr. Suttle responded affirmatively.

NEW BUSINESS (continued)

Ms. Berk indicated that because of the concerns of the people living in the area, staff should obtain proposals and evaluate them as soon as possible. Mr. Mardikian expressed a desire to see all of these properties put out as rapidly as possible. He indicated a readiness to move the motion particularly because of the prospects identified by Mr. Suttle. He believed that based on knowledge of those prospective developers, there was a good likelihood that one or many of them could develop the project satisfactorily.

President Lee requested that action on this building be taken expeditiously. He felt four months to negotiate with a developer was too long. and Mr. Kernan indicated that staff understood the concerns and urgency and would proceed as rapidly as possible in evaluating proposals.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 331-83 BE ADOPTED.

- (f) Resolution No. 332-83, requests authorization of an Agreement with the Western Addition Project Area Committee (WAPAC) as the Project Area Committee for the Western Addition A-2 for one year in the amount of \$73,500.

Mr. Kernan reported on item (f) as follows. WAPAC, the official community participation organization for the Western Addition since 1968, is responsible for representing the residents and businesses of that area in all Agency related activities. This year in keeping with the intent to transfer WAPAC to direct OHCD funding, no funds were programmed in the Agency's budget, however the Agency did support their direct funding by OHCD and agreed to continue as contract administrator. One of the most significant changes and deletions in the WAPAC budget is the deletion of any funds for bookkeeping services. The Agency will provide those services in view of WAPAC's reduced funding and the minimal work load increase to our fiscal staff their bookkeeping represents. WAPAC's budget has been reduced by 50% from 1983 funding. The WAPAC Board has had difficult and close decisions to make in apportioning these severely reduced resources, particularly about staffing levels. One area of risk is the lack of funds for rental space for staff and moving of the office, as WAPAC currently receives rent-free space from the Agency in a structure planned to be included in an offering in April of next year. With projected time for bid responses, production of drawings, evidence of financing, it is possible that WAPAC's tenancy could continue through 1984.

Ms. Mary Rogers, WAPAC, indicated she is unhappy with the budget because staff will have to be cut back. However, they have accepted the budget and are happy that the Agency will administer the bookkeeping for WAPAC to cut back on cost.

Mr. Pleasant Carson, Executive Director, WAPAC, indicated that the Board of WAPAC has indicated they will accept the contract and the budget as outlined, but would be forwarding their concerns to the Commission regarding the contract.

NEW BUSINESS (continued)

Mr. Newman inquired how much time the bookkeeping service would take and Mr. Larry Wright, Controller, indicated one to two days per month.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 332-83 BE ADOPTED.

- (g) Resolution No. 333-83, requests authorization of a First Amendment to the Personal Services Contract with Ramseyer, Zerbst and Company, Inc. for economic analyses of development proposals in the amount of \$30,000; Rincon Point-South Beach Redevelopment Project.

Mr. Kernan reported on item (g) as follows. This contract authorized in April 1983 for \$25,000 provided useful assistance in economic analysis and negotiations which led to the recent Agency agreement with the Postal Services on the Rincon Annex site, the negotiations which led to the acceptance of the Pre-Preliminary Development Proposal with Campeau Corporation and additional analytic work on the financing of low/moderate income housing. Over the next several months, it is anticipated that substantial additional economic analysis services will be required with the continuation and completion of the Campeau negotiations, and final negotiations of the lease with the Port of San Francisco. It is also expected that several additional development proposals requiring economic analysis will be submitted to the Agency during this period. This firm has performed very well and the continuity of their services enables more expenditures and effective negotiations. Funds required for these services are available in the 1983 budget.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 333-83 BE ADOPTED.

- (h) Resolution No. 334-83, requests authorization of a Contract with Bayview-Hunters Point Joint Housing Committee (JHC) from January 1, through December 31, 1984 in the amount of \$58,000 for the Hunters Point and India Basin Industrial Park Project.

Mr. Kernan reported on item (h) as follows. JHC has been the official community participation organization for the Hunters Point and India Basin Industrial Park Areas since 1969 and is responsible for representing the residents and businesses of the project areas in all Agency-connected matters. The proposed contract remains consistent with the terms of the contract for 1983 except that the Agency will now provide their bookkeeping services. Their allocation for 1984 which is 1/2 of what they requested was set by the Board of Supervisors by passage of the City's 1984 Community Development Block Grant Program in November, 1983. The Mayor's Office of Housing and Community Development has requested that the Agency administer the 1984 allocation.

Mr. Willie Beasley, Vice Chairman; Allen Jordan, Chairman, Ocie Mae Rogers; and Anthony Morris, Executive Director, of the Bayview Hunters Point Joint Housing Committee, indicated that even though

NEW BUSINESS (continued)

the budget of \$58,000 was not sufficient, they would struggle through and try to utilize it for the community.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 334-83 BE ADOPTED.

- (i) Resolution No.'s 335-83 through and including 344-83, requests authorization of Fifth Amendatory Agreements with the developers of Lots 5 and 12 and Sixth Amendatory Agreements with developers of Lots 1 through 4, 6 through 8, 10 and 11 within Site S-4 in Hunters Point.

Mr. Kernan reported on item (i) as follows. LDA's were authorized with these 11 developer's for development of single-family homes. The developers were selected from an Agency offering which was offered exclusively to Hunters Point Certificate Holders and to the residents of the Bayview area. Staff has examined each developer's status on a case-by-case basis and propose extensions that reflect each developer's position in the pre-conveyance process. Nine of the developers have been negotiating with SOCA Development, who will be providing the construction financing and this extension will enable them to finalize their arrangements for permanent financing with a financial institution. In fact five of the nine have obtained a tentative take-out financing commitment and will be ready to proceed within sixty days. They are requesting sixty day extensions from December 14, 1983 to February 15, 1984. They are Reese for Lot 1; Primus for Lot 3; Wilson for Lot 4; Hayes for Lot 6 and Wise for Lot 12. Ninety day extensions are requested for SOCA Lot 5 and Hill Lot 8 which would change their conveyance date from December 14, 1983 to March 14, 1984. The remaining four developers are requesting 120 day extensions for conveyance of their sites from December 14, 1983 to April 18, 1984. They are Mabrey for Lot 2; Brown for Lot 7; Sonyika for Lot 10 and Cheatham for Lot 11.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO.'S 335-83 through and including 344-83 BE ADOPTED.

- (j) Resolution No. 345-83, requests authorization to issue Tax Free Mortgage Subsidy Bonds in the amount of \$104,500 to provide loans to two qualified buyers selected by lottery to purchase two expandable homes being developed by the Agency and to authorize the execution of a Bond Purchase Agreement and other related documents for the Hunters Point Project.

Mr. Kernan reported on item (j) as follows. Mr. Harold Bell, Deputy Executive Director, Finance and Administration, will act as Trustee of the Bond proceeds. Imperial Bank will act as originator of the insured loans without fee and purchase the bonds which will bear an interest rate of 11%. The bonds will be serviced by Wells Fargo Mortgage Company for an annual fee of .375% paid by the borrower in monthly installments concurrently with the loan amortization payment. The loans will be for 95% of the \$55,000 purchase price for each home, a total of \$104,500. Buyers for the two homes have

NEW BUSINESS (continued)

been tentatively selected by lottery conducted by Staff. Sale of the properties to these buyers will be proposed for your consideration at a subsequent meeting. The generous cooperation of Imperial Bank and Jones Hall Hill & White in donating services to this financing is acknowledged by staff and brought to your attention.

Mr. Newman indicated that he planned to abstain from voting on this item, as a member of his family is a Director Wells Fargo Bank.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 345-83 BE ADOPTED.

- (k) Resolution No. 346-83, requests authorization to award Site Improvement No. 32 to TMT Company in the amount of \$105,165.50; Hunters Point Redevelopment Project.

Mr. Kernan reported on item (k) as follows. The contract will provide planting of street trees in the recently completed Northridge Cooperative Homes development, construction of a metal beam railing to provide a safety barrier for automobile and pedestrian traffic to a steep slope behind the sidewalk at Hudson Avenue and removal of the temporary Agency-constructed turn-around at Hare Street, including construction of a new concrete curb and sidewalk. TMT Company's is 3.5% above the Engineer's estimate. However, an analyses of the bid unit costs show they are generally reasonable and staff believes rebidding the contract may not produce a more favorable bid. The contractor's Affirmative Action and Safety Programs were reviewed by staff and found to be satisfactory. TMT Company, located in Lafayette, California has performed satisfactory work for the Agency as a subcontractor in the Western Addition A-2 and Hunters Point Project Areas.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 346-83 BE ADOPTED.

- (1) Resolution No. 347-83, requests authorization of a Second Amendment to the Agreement for Legal Services with Steefel, Levitt & Weiss in the amount of \$100,000; Yerba Buena Center Project Area.

Mr. Kernan reported on item (1) as follows. The Steefel law firm, together with two minority law firms, has been providing legal services for the Agency since June of 1983. They have been assisting the Agency in ongoing negotiations and document preparation for Yerba Buena Center. Since negotiations and document preparation are now at a peak, and contract funds have been nearly expended, Staff desires to amend this contract. This will result in a new total maximum amount of \$250,000. At this time the Millner & McGee and Lee & Hui contracts, which are the two minority law firms working with Steefel do not need additional funding. However, they may change shortly because of the intense level of negotiations and document preparation. These law firms have been providing excellent work for the Agency.

NEW BUSINESS (continued)

A discussion occurred between Commissioners, Staff and Edward Steefel regarding the legal services contract with Steefel, Levitt & Weiss for the Yerba Buena Center. A recording of that discussion is on file with the Agency Secretary.

ADOPTION: IT WAS MOVED BY MR. KING, AND SECONDED BY MR. MARDIKIAN, THAT RESOLUTION 347-83 BE ADOPTED AND ALL PRESENT VOTED AYE EXCEPT MR. ARNELLE WHO VOTED NAY.

- (m) Resolution No. 348-83, requests authorization of a Rental Agreement with Roni Rotholz and Mel Zion dba Pita Shop for the property on the south side of Market Street between Third and Fourth Streets in the Yerba Buena Center for the purpose of installing a vending cart.

Mr. Kernan reported on item (m) as follows. This Agreement will allow the installation and operation of an 8 x 10 feet vending cart on the Market Street entrance to the project area, which will serve food from 6:00 a.m. - 7:00 p.m. on weekdays and 9:00 a.m. - 8:00 p.m. on weekends. Monthly rental will be a minimum of \$600 against a percentage of the gross of 10% with the Agency receiving the larger of the two amounts. There is a possibility of 2-3 parking spaces being displaced from an existing parking lot operation that could result in a loss of \$50-75 a month. The parcel is part of the Central Blocks development and it is not anticipated it will be needed immediately for development. Tenancy will be on a month-to-month basis, and terminated when the property is needed.

Mr. Newman inquired if they were going to build a delicatessen or if this is a push cart operation and Mr. Rotholz, Pita Shop, indicated it is a glorified push cart, measuring 8' x 12', and is moveable. Mr. Newman inquired if Mr. Rotholz was licensed by the Department of Public Health and Mr. Rotholz indicated not yet, but they would be.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 348-83 BE ADOPTED.

- (n) Resolution No. 349-83, requests authorization to amend Resolution No. 208-83 to delete various classifications and to revise the titles, classifications comparables and compensation schedules of various other classifications.

Mr. Kernan reported on item (n) as follows. Staff has recommended that the Agency continue its existing system of classification and pay based upon established City and County of San Francisco comparables plus a number of changes that staff believed should be made in the salary resolution as a result of its continued study of Agency salaries and classifications. Staff has met and conferred with the employee Unions and has distributed the proposed changes to all staff for their comments, which processes have now been completed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 349-83 BE ADOPTED.

NEW BUSINESS (continued)

- (o) Resolution No. 350-83, requests authorization of the Agreement for Community Development Services with the City and County of San Francisco for the 1984 Community Development year.

Mr. Kernan reported on item (c) as follows. The City's final CDBG allocation recommendation is \$4,274,143, which is \$614,857 less than originally recommended. This will reflect a reduction in the Rincon Point-South Beach funds of \$693,642; a reduction of \$52,715 in staff turnover and promotions and an addition of the Project Area Committees of \$131,500. Although the City has submitted its 1984 request for funding, HUD is unable to act because of last minute changes by Congress that require the City to provide additional information before the grant application can be approved. This may delay acceptance of the grant past January 1, 1984. HUD is presently working on some form of interim regulations to cover City expenditures during this delay. Though the City cannot enter into an Agreement with the Agency until it receives HUD approval it will be necessary to complete the Agreement as quickly as possible and that is why we are requesting authorization at this time. A tentative Agreement which in all material respects except dollar values is identical to the 1983 Agreement has been drafted by the Agency and forwarded to the City. This Agreement authorizes the Agency to expend from 1984 funds \$13,505,143 from the following sources: Carryforward funds of \$500,000; Property management income of \$1,650,000; Land sales proceeds of \$7,081,000; and the 1984 CDBG allocation of \$4,274,143.

Ms. Berk inquired if the total from all sources reflect the decrease that the Agency is receiving from Community Development funds and Mr. Kernan indicated affirmatively.

President Lee inquired that under the income received from property management, did that include all residential, commercial and parking facilities and Mr. Kernan indicated affirmatively that the largest part of the income received is from parking facilities that are mainly located in YBC.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 350-83 BE ADOPTED.

- (p) Election of Officers.

The Agency's Bylaws require that an annual election of officers be held at the last regular meeting of the year of the first meeting of a new year. The positions to be filled are President, Vice President, Secretary, Treasurer, Executive Director and Senior Deputy Executive Director. The nominations will be effective from January 1, 1984 to December 31, 1984.

Mr. Arnette nominated Mr. Lee for the office of President and Mr. King for the office of Vice President and Ms. Berk seconded the motion. There were no further nominations.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT THE NOMINATIONS FOR PRESIDENT AND VICE PRESIDENT BE CLOSED AND THAT MR. LEE BE ELECTED PRESIDENT AND THAT MR. KING BE ELECTED VICE PRESIDENT.

Mr. Newman noted that he believed he was speaking for the rest of the Commission in complimenting the President and Vice President on a good year and well run meetings.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT THE FOLLOWING OFFICERS BE RETAINED: MR. HAMILTON FOR EXECUTIVE DIRECTOR; MR. KERNAN FOR SENIOR DEPUTY EXECUTIVE DIRECTOR; MS. OSWALD FOR SECRETARY; AND MR. BELL FOR TREASURER.

MATTERS NOT APPEARING ON AGENDA

- (a) Public hearing to hear all persons interested in the proposal to convey an Easement to Antone and Pauline Vera for Pedestrian Ingress and Egress over a portion of the parcel located at 1461 Innes Avenue in Hunters Point.

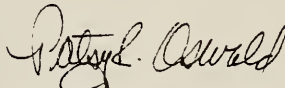
Mr. Kernan reported on item (a) as follows. This item is a public hearing and was inadvertently not on today's Agenda. Since the public hearing was published it must be called. However, it is requested that this public hearing be continued to the meeting of January 10, 1984.

RULE OF THE CHAIR: President Lee indicated that subject to the objection of any Commissioner that item (a) would be continued to the meeting of January 10, 1984. There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 6:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

January 31, 1984

